

REGIONAL ACCESS PROJECT FOUNDATION
PALM DESERT, CALIFORNIA

INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS

AND SUPPLEMENTAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2024

WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2023



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Regional Access Project Foundation
Palm Desert, California

Opinion

We have audited the accompanying financial statements of Regional Access Project Foundation (a nonprofit corporation), which comprise the statement of financial position as of June 30, 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 referred to above present fairly, in all material respects, the financial position of Regional Access Project Foundation as of June 30, 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. 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 Regional Access Project Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility 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 Regional Access Project Foundation 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, including omissions, 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 Regional Access Project Foundation'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 Regional Access Project Foundation 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 September 24, 2024, on our consideration of Regional Access Project Foundation'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 Regional Access Project Foundation'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 Regional Access Project Foundation internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the financial statements of Regional Access Project Foundation for the year ended June 30, 2023, in our report dated September 27, 2023, we expressed an unmodified opinion. In our opinion, the summarized comparative information presented herein for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Coachella Valley
Accounting & Auditing

La Quinta, CA
September 25, 2024

REGIONAL ACCESS PROJECT FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2023

	<u>ASSETS</u>		Totals	
	Without Donor Restrictions	With Donor Restrictions	2024	2023 (Memorandum Only)
CURRENT ASSETS				
Cash and cash equivalents	\$ 1,908,137	\$ 41,668	\$ 1,949,805	\$ 1,854,372
Accounts receivable	251,748	-	251,748	54,439
County tax increment funding receivable	1,353,498	-	1,353,498	1,448,553
Prepaid expenses	24,998	-	24,998	15,832
Investments	886,532	-	886,532	732,121
Agency funds held for others	66,646	-	66,646	57,745
Total current assets	4,491,559	41,668	4,533,227	4,163,062
PROPERTY AND EQUIPMENT, NET	2,763,558	-	2,763,558	2,797,716
TOTAL ASSETS	<u>\$ 7,255,117</u>	<u>\$ 41,668</u>	<u>\$ 7,296,785</u>	<u>\$ 6,960,778</u>
<u>LIABILITIES AND NET ASSETS</u>				
LIABILITIES				
Accounts payable	\$ 79,037	\$ -	\$ 79,037	\$ 167,744
Accrued payroll	62,458	-	62,458	20,164
Grants payable	791,000	-	791,000	-
Tenant deposits and prepaid rent	32,108	-	32,108	28,899
Agency funds held for others	66,646	-	66,646	57,745
TOTAL LIABILITIES	1,031,249	-	1,031,249	274,552
NET ASSETS				
Without donor restrictions	6,223,868	-	6,223,868	6,671,373
With donor restrictions	-	41,668	41,668	14,853
TOTAL NET ASSETS	6,223,868	41,668	6,265,536	6,686,226
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,255,117</u>	<u>\$ 41,668</u>	<u>\$ 7,296,785</u>	<u>\$ 6,960,778</u>

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

REGIONAL ACCESS PROJECT FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023

			Totals	
	Without Donor Restrictions	With Donor Restrictions	2024	2023 (Memorandum Only)
REVENUES				
County tax increment revenue	\$ 1,972,211	\$ -	\$ 1,972,211	\$ 1,849,034
Contributions	36,920	1,500	38,420	22,792
General grants	100,614	134,400	235,014	591,495
Federal grant	1,217,222	-	1,217,222	-
NPO Centric revenue	401,527	-	401,527	189,657
Investment income	118,860	-	118,860	31,802
Unrealized investment gain	38,232	-	38,232	32,757
Rental income	268,850	-	268,850	277,436
Loss on disposal of property and equipment	(18,367)	-	(18,367)	(15,337)
Net assets released from restrictions	109,085	(109,085)	-	-
TOTAL REVENUE	4,245,154	26,815	4,271,969	2,979,636
OPERATING EXPENSES				
Program services:				
Grant allocations	1,821,937	-	1,821,937	2,162,500
NPO Centric	1,752,785	-	1,752,785	616,411
CV Healthy Living	123,702	-	123,702	-
Nonprofit rentals	103,261	-	103,261	203,686
Total program services	3,801,685	-	3,801,685	2,982,597
Supporting services:				
General administration	840,180	-	840,180	237,682
Non-program rentals	29,058	-	29,058	98,571
Fundraising	21,736	-	21,736	19,773
Total supporting services	890,974	-	890,974	356,026
TOTAL OPERATING EXPENSES	4,692,659	-	4,692,659	3,338,623
(DECREASE) INCREASE IN NET ASSETS	(447,505)	26,815	(420,690)	(358,987)
NET ASSETS, BEGINNING OF YEAR	6,671,373	14,853	6,686,226	7,045,213
NET ASSETS, END OF YEAR	\$ 6,223,868	\$ 41,668	\$ 6,265,536	\$ 6,686,226

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

REGIONAL ACCESS PROJECT FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023

	2024									2023	
	Programs					Supporting Services				Totals	(Memorandum Only)
	Grant Allocations	NPO Centric	CV Healthy Living	Nonprofit Rentals	Total Program Services	General Administration	Non-Program Rentals	Fundraising	Total Support Services		
Advertising and marketing	\$ 609	\$ 9,443	\$ -	\$ -	\$ 10,052	\$ 7,860	\$ -	\$ -	\$ 7,860	\$ 17,912	\$ 7,543
Bank and investment fees	-	78	-	104	182	8,166	33	-	8,199	8,381	6,695
Building and occupancy	-	45,282	7,817	59,092	112,191	30,455	12,914	-	43,369	155,560	143,378
Communications	306	1,608	1,101	179	3,194	8,992	39	-	9,031	12,225	11,076
Computer services	407	4,149	195	-	4,751	16,143	-	897	17,040	21,791	19,070
Depreciation expense	-	-	-	-	-	117,404	-	-	117,404	117,404	112,885
Employee benefits	1,219	5,527	21,848	752	29,346	67,057	163	121	67,341	96,687	101,602
Equipment lease	-	617	-	433	1,050	4,409	94	245	4,748	5,798	4,931
Event expenses	23,076	150	500	-	23,726	20,987	-	-	20,987	44,713	14,168
General grants to organizations	1,658,654	984,188	-	-	2,642,842	46,293	-	-	46,293	2,689,135	1,901,139
Insurance	-	-	-	-	-	41,800	-	-	41,800	41,800	33,166
Office expenses	16,619	14,897	4,594	1,264	37,374	33,737	7,455	439	41,631	79,005	59,384
Pass thru agency funds	18,128	305,297	752	-	324,177	264	-	-	264	324,441	216,068
Payroll taxes	8,291	19,392	2,299	3,040	33,022	29,682	664	1,649	31,995	65,017	50,626
Professional services	285	165,516	10,411	2,747	178,959	75,675	-	755	76,430	255,389	88,553
Retirement plan	650	625	438	77	1,790	15,482	17	860	16,359	18,149	24,291
Salaries	92,554	195,364	72,084	35,573	395,575	301,862	7,679	16,770	326,311	721,886	506,865
Training, conferences and meetings	433	102	21	-	556	8,208	-	-	8,208	8,764	32,976
Travel and mileage	706	550	1,642	-	2,898	5,704	-	-	5,704	8,602	4,207
TOTAL	\$ 1,821,937	\$ 1,752,785	\$ 123,702	\$ 103,261	\$ 3,801,685	\$ 840,180	\$ 29,058	\$ 21,736	\$ 890,974	\$ 4,692,659	\$ 3,338,623

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

REGIONAL ACCESS PROJECT FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023

	Totals	
	2024	2023 (Memorandum Only)
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	\$ (420,690)	\$ (358,987)
Adjustments to reconcile decrease in net assets to net cash provided (used) by operating activities:		
Depreciation	117,404	112,885
Loss on disposal of property and equipment	18,367	15,337
Changes in operating assets and liabilities:		
Accounts receivable	(197,309)	(47,196)
County tax increment funding receivable	95,055	(148,162)
Prepaid expenses	(9,166)	12,855
Accounts payable	(88,707)	124,414
Accrued payroll	42,294	(26,530)
Grants payable	791,000	-
Tenant deposits and prepaid rent	3,209	10,079
Total adjustments	772,147	53,682
Net cash provided (used) by operating activities	351,457	(305,305)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(542,149)	(265,000)
Proceeds from investments	387,738	233,218
Purchases of property and equipment	(101,613)	(27,079)
Net cash used by investing activities	(256,024)	(58,861)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	95,433	(364,166)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,854,372	2,218,538
END OF YEAR	\$ 1,949,805	\$ 1,854,372
 Cash and cash equivalents without donor restrictions	\$ 1,908,137	\$ 1,839,519
Cash and cash equivalents with donor restrictions	41,668	14,853
Total cash	\$ 1,949,805	\$ 1,854,372

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

REGIONAL ACCESS PROJECT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Regional Access Project Foundation (the Foundation) was incorporated on October 8, 1992, for the purpose of enhancing and facilitating health, mental health, and juvenile services in eastern Riverside County, California. The Foundation's corporate offices are located in Palm Desert, California. The Foundation's primary program services include financial grants and technical assistance to qualified exempt organizations throughout eastern Riverside County. The Foundation is both publicly and privately funded. The Foundation's primary source of annual funding is tax increment funds (sales tax) received under an agency agreement (Note 2) with the County of Riverside (the County).

Program Services

The Foundation provides the following program services:

Grant Allocations to Other Exempt Entities – The Foundation provides cash grants to tax exempt entities that provide health, mental health, and juvenile intervention services to residents of eastern Riverside County. Cash grants are funded annually from the tax increment funding received under the agreement with the County.

NPO Centric– While cash grants are a major part of the Foundation's activities, grants of technical assistance became a priority when it was found that a variety of exempt organizations did not have the tools necessary to manage their organization or grants. The Technical Assistance Program (TAP) was established and funded by monies received annually from the tax increment funding received under the agreement with the County. In 2020, TAP was rebranded as NPO Centric and it has been expanded to provide training and capacity building for a variety of exempt organizations and is available through Riverside County and beyond.

Non-Profit Rentals – The Foundation provides affordable annual rental agreements for office space and cubicles to tax exempt entities. This program helps promote the sustainability of these organizations and allows for collaborations facilitated by the presence of other nonprofits in the same building.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Tax Exempt Status

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and from state income tax under Section 23701(d) of the California Revenue and Taxation Code. As such, no provision has been made in the financial statements for income taxes.

REGIONAL ACCESS PROJECT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investments that are readily convertible into cash and have original maturities of three months or less when purchased.

Agency Funds Held for Others

From time to time, the Foundation enters into agency service agreements with other exempt organizations. Funds held on behalf of other agencies are maintained in separate accounts and are disbursed in accordance with directives from those entities. Such funds are reported as an offsetting asset and liability on the statement of financial position.

Concentration of Credit Risk

The Foundation maintains accounts at various financial institutions, which at June 30, 2024 and periodically throughout the year, were in excess of federally insured limits of \$250,000.

The Foundation also maintains investment accounts with Wells Fargo. The accounts contain cash and securities and sometimes exceed the amount guaranteed by the Securities Investor Protection Corporation (SIPC), which is \$500,000 for securities and cash (including a limit of \$250,000 for cash only). Accounts held in the same capacity are combined for purposes of the SIPC protection limits. The investment companies maintain insurance to guarantee the Foundation's balances in excess of the amounts on deposit or invested.

Receivables

The county tax increment funding receivable and other receivables are reported net of an allowance for doubtful accounts. The Foundation provides for losses on receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of contributors to meet their obligations. Management believes that all current receivables are collectible, and no allowance is needed at this time.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values based on quoted prices in active markets in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

REGIONAL ACCESS PROJECT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Property and Equipment

The Foundation capitalizes assets with an expected useful life in excess of one year and value in excess of \$1,000 including additions, improvements, and other capital outlays that significantly extend the useful life of an asset. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, ranging from five to 39 years.

Revenue and 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. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Financial Statement Presentation

The Foundation reports information regarding its financial position and activities according to two classes of net assets; net assets without donor restrictions, net asset without donor restrictions – board designated, and net assets with donor restrictions, based upon the existence or absence of donor-imposed restrictions.

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Net Assets Without Donor Restrictions – These funds represent all resources over which the Board of Directors has discretionary control for use in operating the Foundation, as well as all property and equipment of the Foundation.

Net Assets Without Donor Restrictions – Board Designated – These funds represent all resources over which the Board of Directors has discretionary control for use in operating the Foundation. The Board of Directors have designated funds for a building reserve fund. During the year ended June 30, 2024 these funds were used in full to replace air conditioning units.. The building reserve fund was \$50,000 as of June 30, 2023 and is included in cash and cash equivalents without donor restrictions.

REGIONAL ACCESS PROJECT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Net Assets With Donor Restrictions – These funds represent those resources that are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose for restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. (See Note 6)

Functional Allocation of Expense

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited. The expenses that are allocated include building maintenance and depreciation, which are allocated on a square footage basis, as well as personnel costs, professional services, office expenses, information technology, insurance, and others, which are allocated on the basis of estimates of time and effort.

2. FUNDING FROM RIVERSIDE COUNTY

The Foundation is party to an agreement with the County of Riverside entitled “County of Riverside Service Agreement” dated March 29, 2016 (which superseded the August 16, 1994 agreement) (County Agreement), pursuant to which the County agreed to distribute to the Foundation certain sales tax funds received by the County. The County’s Governmental Revenue Sharing Agreements with the City of Palm Desert (the City) contains a provision that the City shall pay to the County the amount of redevelopment “tax increment that is equal to the amount of sales taxes paid to the City from the redevelopment site” (Alternative Funding Provisions). The term of the County Agreement ended June 30, 2020 and was renewed for an additional five year term expiring June 30, 2025 and may be extended for an additional 5 year period upon mutual written agreement of the parties. Total revenues were \$1,972,211 and \$1,849,034 for the years ended June 30, 2024 and 2023, respectively. Receivables from the County amounted to \$1,353,498 and \$1,448,553 as of June 30, 2024 and 2023, respectively.

3. FAIR VALUE MEASUREMENTS

The Foundation applies Generally Accepted Accounting Principles (GAAP) for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis.

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

REGIONAL ACCESS PROJECT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

3. FAIR VALUE MEASUREMENTS – (Continued)

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date. At June 30, 2024, all marketable securities are measured at fair value on a recurring basis and were valued at Level 1 inputs. Fair value for marketable securities at June 30, 2024 and 2023 was \$886,532 and \$732,121, respectively.

Unrealized investment gain amounted to \$38,232 and \$32,757 for the years ended June 30, 2024 and 2023, respectively.

4. RENTAL INCOME

The Foundation rents office space to other various organizations, providing rental agreements typically for a one-year term. Rental income was \$268,850 and \$277,436 for the years ended June 30, 2024 and 2023, respectively.

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30;

	2024	2023
Building	\$ 2,554,025	\$ 2,554,025
Improvements	830,038	833,282
Office equipment	45,967	45,967
Computer equipment	50,565	50,565
	<u>3,480,595</u>	<u>3,483,839</u>
Less: accumulated depreciation	<u>(717,037)</u>	<u>(686,123)</u>
Total	<u>\$ 2,763,558</u>	<u>\$ 2,797,716</u>

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of June 30;

	2024	2023
Desert Legal Foundation	\$ 575	\$ 1,175
Prevent Child Abuse Riverside County	4,395	4,395
Houston Foundation	1,498	127
Other programs	<u>35,200</u>	<u>9,156</u>
Total net assets with donor restrictions	<u>\$ 41,668</u>	<u>\$ 14,853</u>

REGIONAL ACCESS PROJECT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

7. GRANTS TO ORGANIZATIONS

As described in the summary of significant accounting policies, the Foundation provides cash grants to entities that provide health, mental health, education or family intervention services to residents of eastern Riverside County. Grants expense as shown on the statement of functional expense, were provided for the following purposes for the years ended June 30;

	2024	2023
Mental health grants	\$ 786,121	\$ 1,185,072
Juvenile intervention grants	586,600	310,000
Technical assistance grants	931,487	87,400
Other Grants	262,927	140,167
General health grants	50,000	112,500
Desert Fast Pitch	72,000	66,000
Total grants to organizations	<u>\$ 2,689,135</u>	<u>\$ 1,901,139</u>

Grants payable to organizations amounted to \$791,000 as of June 30, 2024. There were no grants payable for the year ended June 30, 2023.

8. RETIREMENT PLAN

The Foundation contributes on behalf of its employees to a 401(k) retirement plan. All full-time employees who are at least 18 years of age are eligible to participate in the plan. Under this plan, the Foundation contributes a dollar for dollar match of the participating employees' deferral amounts each year, up to 5% of the employees' compensation for the plan year. The Foundation made \$18,148 and \$24,292 of matching contributions to employee retirement plans for the years ended June 30, 2024 and 2023.

9. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following represents financial assets that could readily be made available within one year at June 30, 2024 for general expenditures:

Financial assets at year-end:	
Cash and Cash equivalents	\$ 1,908,137
Investments	886,532
County Tax Receivable	1,353,498
Accounts Receivable	251,748
	<u>\$ 4,399,915</u>

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Cash and investments from donor-restricted sources is restricted for specific purposes and therefore, is not available for general expenditure.

REGIONAL ACCESS PROJECT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

10. SUBSEQUENT EVENTS

The Foundation evaluated all potential subsequent events as of September 25, 2024 when the financial statements were authorized and available to be issued. No subsequent events or transactions were identified after June 30, 2024 or as of September 25, 2024 that require disclosure to the financial statements.

SUPPLEMENTARY INFORMATION



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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
Regional Access Project Foundation
Palm Desert, 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 Regional Access Project Foundation, which comprise the statement of financial position as of June 30, 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 September 25, 2024.

Reporting on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Regional Access Project Foundation'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 Regional Access Project Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Regional Access Project Foundation'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered 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 Regional Access Project Foundation'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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
September 25, 2024



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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
Regional Access Project Foundation
Palm Desert, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Regional Access Project Foundation'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 Regional Access Project Foundation's major federal programs for the year ended June 30, 2024. Regional Access Project Foundation'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, Regional Access Project Foundation'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 June 30, 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 Regional Access Project Foundation 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 Regional Access Project Foundation'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 Regional Access Project Foundation'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 Regional Access Project Foundation'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 Regional Access Project Foundation'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 Regional Access Project Foundation'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 Regional Access Project Foundation'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 Regional Access Project Foundation'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.

Report on Internal Control over Compliance

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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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
September 25, 2024

REGIONAL ACCESS PROJECT FOUNDATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Agency/Program	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of the Treasury			
Passed-through from Riverside County			
Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ <u>1,217,222</u>
Total Expenditures of Federal Awards			\$ <u>1,217,222</u>

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

REGIONAL ACCESS PROJECT FOUNDATION

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Regional Access Project Foundation under programs of the federal government for the year ended June 30, 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 Regional Access Project Foundation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Regional Access Project Foundation.

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

Regional Access Project Foundation has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

REGIONAL ACCESS PROJECT FOUNDATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2024

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Regional Access Project Foundation 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 Regional Access Project Foundation were disclosed during the audit.
4. No significant deficiencies relating to the audit of major federal award programs are 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 Regional Access Project Foundation 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>
Coronavirus State and Local Fiscal Recovery Funds	21.027

8. The dollar threshold used for distinguishing between Type A and B programs was \$750,000.
9. Regional Access Project Foundation determined not to be low-risk auditee.

B. Findings – Financial Statements Audit

None

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

There were no findings and questioned costs for the year ended June 30, 2024.

REGIONAL ACCESS PROJECT FOUNDATIONAND
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

FEDERAL COMPLIANCE

There were no prior year findings and questioned costs for the year ended June 30, 2023.