

**PUEBLO UNIDO
COMMUNITY DEVELOPMENT CORPORATION**

FINANCIAL STATEMENTS

Year Ended

December 31, 2024

PUEBLO UNIDO
COMMUNITY DEVELOPMENT CORPORATION

Financial Statements

December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Pueblo Unido Community Development Corporation
La Quinta, CA

Opinion

We have audited the financial statements of Pueblo Unido Community Development Corporation (a nonprofit organization), which comprise the statements 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 Pueblo Unido Community Development Corporation 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Pueblo Unido Community Development Corporation, 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.

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 Pueblo Unido Community Development Corporation's ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS 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 GAAS 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 Pueblo Unido Community Development Corporation'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 Pueblo Unido Community Development Corporation's ability to continue as a going concern for a reasonable period of time.

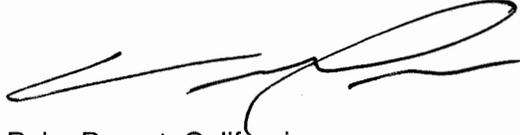
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 19, 2025, on our consideration of Pueblo Unido Community Development Corporation, 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 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 Pueblo Unido Community Development Corporation'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 Pueblo Unido Community Development Corporation, internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Pueblo Unido Community Development Corporation's 2023 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated June 21, 2024. In our opinion, the summarized comparative information presented herein as of and for the ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink, consisting of several fluid, overlapping strokes.

Palm Desert, California
June 19, 2025

FINANCIAL STATEMENTS

PUEBLO UNIDO
COMMUNITY DEVELOPMENT CORPORATION

Statement of Financial Position

December 31, 2024 with Comparative Totals
For the Year Ended December 31, 2023

ASSETS	2024	2023
CURRENT ASSETS		
Cash	\$ 2,190,360	\$ 1,679,895
Grants receivable (Note D)	3,636,675	3,414,480
Prepaid expenses	141,199	1,200
Other assets	184,041	185,041
TOTAL CURRENT ASSETS	6,152,275	5,280,616
Property and Equipment - Net (Note C)	369,969	86,452
ROU Asset - Operating Lease (Note H)	293,050	241,417
TOTAL ASSETS	\$ 6,815,294	\$ 5,608,485
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	1,190	211,051
Other liabilities (Note E)	249,491	183,716
Current portion of lease liability (Note H)	41,730	28,369
TOTAL CURRENT LIABILITIES	292,411	423,136
Lease Liability - Operating lease (Note H)	256,523	217,533
TOTAL LIABILITIES	548,934	640,669
NET ASSETS		
Without donor restrictions	2,970,559	1,903,788
With donor restrictions (Note F)	3,295,801	3,064,028
TOTAL NET ASSETS	6,266,360	4,967,816
TOTAL LIABILITIES AND NET ASSETS	\$ 6,815,294	\$ 5,608,485

See accompanying notes to financial statements.

PUEBLO UNIDO
COMMUNITY DEVELOPMENT CORPORATION

Statement of Activities

Year Ended December 31, 2024 with Comparative Totals
For the Year Ended December 31, 2023

NET ASSETS WITHOUT DONOR RESTRICTIONS	2024	2023
Income		
Grants	1,311,009	890,438
Land donation	274,036	-
Interest income	16,138	1,599
Other income	20,424	36,770
	1,621,607	928,807
Net assets released from restrictions (Note F)	622,475	1,098,020
Total Income and Other Support Without Donor Restrictions	2,244,082	2,026,827
Expenses		
Program services	853,166	1,124,422
General & administration	324,146	361,819
Total expenses	1,177,312	1,486,241
Change in Net Assets from Operations	1,066,770	540,586
Change in Net Assets from Discontinued Operations	-	(23,972)
Loss on Disposal of Discontinued Operations	-	(140,820)
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	1,066,770	375,794
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Federal, state and local grants	1,247,691	1,823,369
Loss on prior year grant	(393,442)	(51,448)
Net assets released from restrictions (Note F)	(622,475)	(1,098,020)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	231,774	673,901
CHANGE IN NET ASSETS	1,298,544	1,049,695
NET ASSETS AT BEGINNING OF YEAR	4,967,816	3,974,999
Equity Transfer	-	(56,878)
NET ASSETS AT END OF YEAR	\$ 6,266,360	\$ 4,967,816

See accompanying notes to financial statements.

PUEBLO UNIDO
COMMUNITY DEVELOPMENT CORPORATION

Statement of Cash Flows

Year Ended December 31, 2024 with Comparative Totals
For the Year Ended December 31, 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase/(Decrease) in net assets	\$ 1,298,544	\$ 1,049,695
Depreciation	12,565	20,991
ROU asset amortization - operating lease	49,642	32,222
Land donation	(274,036)	-
Loss on disposal of fixed assets	-	163,945
Forgiveness of debt	-	(23,125)
Accrued interest	-	6,578
Disencumbered grant	-	51,449
Adjustment to net assets	-	7,220
Equity transfer	-	(56,878)
Other non-cash items	-	5,363
(INCREASE)/DECREASE IN OPERATING ASSETS		
Grants receivable	(222,194)	(834,636)
Prepaid expense	(140,000)	5,114
Deposits	-	3,000
Other assets	1,000	14,395
INCREASE/(DECREASE) IN OPERATING LIABILITIES		
Accounts payable	(209,861)	166,562
Other liabilities	65,774	(36,432)
Payment of lease liability	(48,924)	(34,248)
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	532,510	541,215
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(22,045)	(10,092)
NET CASH USED BY INVESTING ACTIVITIES	(22,045)	(10,092)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	510,465	531,123
BEGINNING CASH AND CASH EQUIVALENTS	<u>1,679,895</u>	<u>1,148,772</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 2,190,360</u>	<u>\$ 1,679,895</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	<u>\$ -</u>	<u>\$ 3,162</u>

See accompanying notes to financial statements.

PUEBLO UNIDO
COMMUNITY DEVELOPMENT CORPORATION

Statement of Functional Expenses

Year Ended December 31, 2024 with Comparative Totals
For the Year Ended December 31, 2023

	Program Services	General & Administration	<u>2024</u> Total Expenses	<u>2023</u> Total Expenses
Salaries	\$ 379,390	\$ 126,463	\$ 505,853	\$ 425,919
Fringe Benefits	<u>107,017</u>	<u>35,673</u>	<u>142,690</u>	<u>127,977</u>
 Total Salaries & Fringe Benefits	 486,407	 162,136	 648,543	 553,896
Consultants & Contractual	21,935	21,975	43,910	52,377
Project Expenses	314,191	-	314,191	712,985
Travel	25,665	-	25,665	33,059
Office Expense	-	37,099	37,099	34,652
Rent	-	49,642	49,642	46,015
Community Engagement	4,968	-	4,968	1,450
Administrative & Other	<u>-</u>	<u>40,729</u>	<u>40,729</u>	<u>38,770</u>
 Total Expenses Before Depreciation	 \$ 853,166	 \$ 311,581	 \$ 1,164,747	 \$ 1,473,204
Depreciation	<u>-</u>	<u>12,565</u>	<u>12,565</u>	<u>13,037</u>
 Total Expenses	 <u>\$ 853,166</u>	 <u>\$ 324,146</u>	 <u>\$ 1,177,312</u>	 <u>\$ 1,486,241</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

PUEBLO UNIDO
COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

December 31, 2024

NOTE A. NATURE OF ACTIVITIES

Pueblo Unido Community Development Corporation (the Organization) is a non-profit organization established in 2008 to promote economic development and develop affordable housing and infrastructure in low-income, migrant communities of the eastern Coachella Valley by utilizing existing resources and creating new opportunities through the collaboration of community members, community-faith base organizations, public entities, and elected officials.

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions.

Contributions

Contributions from granting agencies received are recorded as net assets with or without donor restrictions, depending on the existence or nature of any grantor restrictions.

Support that is restricted by the grantor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other grantor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from donor restrictions.

Cash and Cash Equivalents

For purpose of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

PUEBLO UNIDO
COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

December 31, 2024

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments

The following methods and assumptions were used by the Organization in estimating the fair values of its financial instruments:

Cash and cash equivalents: The carrying amount reported in the balance sheet for cash and cash equivalents approximates its fair value.

Accounts payable and accrued expenses: The carrying amount reported in the balance sheet for accounts payable and accrued expenses approximates its fair value.

Estimates

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

Property and Equipment

Expenditures for property and equipment are stated at cost. Acquisitions of assets in excess of \$1,000 are capitalized and depreciated using the straight-line method over the estimated useful lives of the assets. The principal estimated useful lives used in computing the depreciated provisions are as follows:

Building and Improvements	40 years
Furniture and Equipment	5 years
Land Improvements	20 years

Revenue Recognition

The Organization recognizes contribution revenue in the period in which restrictions and conditions are lifted by the donor. Otherwise, contributions are recorded when received if no restrictions or conditions exist. Contributions are not subject to the scope of ASC 606.

Investment income is not subject to the scope of ASC 606 and is recognized when earned.

PUEBLO UNIDO
COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

December 31, 2024

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

Transactions give rise to leases when the Organization receives substantially all the economic benefits from and can direct the use of specified leased property and equipment. The Organization recognizes all such transactions with lease terms of 12 months or greater as operating or finance leases. The Organization has lessee activity that is classified as operating leases. Operating leases are included in the statement of financial position as a Right-Of-Use (ROU) asset, and as current and long-term lease liabilities.

ROU assets represent the right to use underlying assets for the lease term and lease liabilities represent obligations to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term.

The Organization elected to use the discount rate implicit in the lease agreement. The discount rate is used at lease commencement to perform lease classification tests and to measure lease liabilities and ROU assets. Lease payments for operating leases are amortized on a straight-line basis over the term of the lease and recognized as operating lease cost.

The Organization has no agreements with lease and non-lease components but generally has elected to account for any lease and non-lease components as a single lease component. The Organization elected the practical expedient not to recognize ROU and lease liabilities that arise from short-term leases (i.e. leases with terms of 12 months or less).

Income Tax Status

The Organization is exempt from income taxes under section 501 (c) (3) of the Internal Revenue Code and Section 23701(d) of the State of California Revenue and Taxation Code. Accordingly, no provision is made for income taxes. The Organization's Forms 990, *Return of Organizations Exempt From Income Tax*, for the years ending 2022, 2023 and 2024 are subject to examination by the IRS, generally for three years after they were filed.

Functional Expense Allocation

The financial statements report contains categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include compensation and benefits, which are allocated based on time records. All other expenses are allocated on a direct cost basis.

PUEBLO UNIDO
COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

December 31, 2024

NOTE C. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at cost less accumulated depreciation:

Land	\$ 274,036
Furniture and Equipment	144,469
Improvements	46,471
Construction-in-Progress	<u>20,926</u>
	485,902
Less: Accumulated Depreciation	<u>(115,933)</u>
Total	<u>\$ 369,969</u>

NOTE D. GRANTS RECEIVABLE

The grants receivable balance of \$3,636,675 is comprised of the following:

California State Water Resources Control Board	\$ 3,113,590
California Environmental Protection Agency	300,000
Coachella Valley Water District	74,250
California Department of Food and Agriculture	100,000
Stantec Consulting Services Inc.	38,835
The Lee Andrews Group Inc.	<u>10,000</u>
Total	<u>\$ 3,636,675</u>

NOTE E. OTHER LIABILITIES

Other liabilities at December 31, 2024, were comprised of:

Payroll Liabilities	\$ 13,998
403b Contribution Payable	718
Sick & Vacation Payable	32,319
Pass-Through Grant Liability	<u>202,456</u>
	<u>\$ 249,491</u>

PUEBLO UNIDO
COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

December 31, 2024

NOTE F. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with Donor Restrictions are available for the following purposes at December 31, 2024:

California State Water Resources Control Board	\$ 2,888,110
California Department of Food and Agriculture	100,000
California Environmental Protection Agency	195,686
Coachella Valley Water District	73,170
Stantec Consulting Services Inc.	<u>38,835</u>
 Total Net Assets with Donor Restrictions	 <u>\$ 3,295,801</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

California State Water Resources Control Board	\$ 375,180
California Wellness Foundation	48,611
DigDeep Right to Water Project	3,684
The Common Counsel Foundation	30,000
The California Endowment	150,000
American Express	<u>15,000</u>
 Total Release from Donor Restrictions	 <u>\$ 622,475</u>

NOTE G. INVESTMENT IN AFFILIATE

The Organization holds a 20% partnership interest in San Antonio Mobile Home Park, LLC. As of December 31, 2024, Organization's basis in the partnership was reduced to zero. In accordance with ASC 323-10-35-20, the Organization suspended its use of equity method accounting and did not report its share of San Antonio Mobile Home Park LLC's net losses for the year ended December 31, 2024. However, the Organization continues to track the suspended losses.

PUEBLO UNIDO
COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

December 31, 2024

NOTE H. LEASES

The Organization has one operating lease for office space with a renewal option that is reasonably certain to be exercised and is part of the Right-Of-Use (ROU) asset and lease liabilities.

Quantitative Disclosures

At December 31, 2024, lease assets and liabilities were as follows:

<u>Assets</u>	<u>Classification</u>	
Operating	ROU assets	\$293,050
<u>Liabilities</u>	<u>Classification</u>	
Current		
Operating	Short-term lease liabilities	\$41,730
Noncurrent		
Operating	Long-term lease liabilities	\$256,523

For the year ended December 31, 2024, total operating lease costs incurred were \$49,642.

For the year ended December 31, 2024, other supplemental quantitative disclosures were as follows:

Operating cash flows used for operating leases	\$ 48,924
Weighted-average remaining lease term (years):	
Operating leases	6.49
Weighted-average discount rate:	
Operating leases	3%

At December 31, 2024, the undiscounted future lease payments along with a reconciliation of the undiscounted cash flows to operating lease liabilities were as follows:

<u>Lease Maturity</u>	
2025	\$ 49,986
2026	50,526
2027	50,526
2028	50,526
2029	50,526
Thereafter	<u>75,789</u>
	\$ 327,879
Less effects of discounting	<u>(29,626)</u>
Present value of undiscounted future cash flows	<u>\$ 298,253</u>

PUEBLO UNIDO
COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

December 31, 2024

NOTE I. CASH RISK CONCENTRATION

The Organization maintains checking and savings account for operations and reserves with local financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures up to \$250,000 in cash deposits. In addition, cash in non-interest bearing deposit transaction accounts are covered 100% under The Temporary Liquidity Guarantee Program for participating institutions. As of December 31, 2024, the Organization's uninsured cash balance totaled \$90,115.

NOTE J. EMPLOYEE PENSION PLAN

Substantially all the Organization's employees are covered by a defined contribution plan that is qualified under Section 403(B) of the Internal Revenue Code. Contributions are made to eligible employees and the organization matches all employee contributions up to 5% of the employee's annual compensation or \$3,000 for the calendar year. Pension plan expense was \$15,908 for the year ended December 31, 2024.

NOTE K. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Pueblo Unido Community Corporation's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of board, legal, or donor-imposed restrictions within one year of the statement of financial position date.

Financial Assets at December 31:	<u>\$ 5,827,035</u>
Financial assets available to meet cash need for general Expenditures within one year	<u>\$ 5,827,035</u>

Pueblo Unido CDC is substantially supported by restricted contributions which requires resources to be used in a particular manner or in a future period. The majority of Pueblo Unido CDC's grants require expenditures to be incurred and billed before any funds are paid to Pueblo Unido CDC. As part of Pueblo Unido CDC's liquidity management, financial assets are structured to be available as its general expenditures, liabilities and other obligations come due.

PUEBLO UNIDO
COMMUNITY DEVELOPMENT CORPORATION

Notes to Financial Statements

December 31, 2024

NOTE L. CONTINGENCIES

Program Funding

Continued program funding is contingent upon availability of funds from federal, state, and local sources and project performance. The funds are awarded upon receipt and program applications.

Grantor Restrictions

Financial awards from private foundations and state and local government entities in the form of grants are subject to special audits. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision can be made for any potential liabilities that may arise from such audits since no indicator of noncompliance has been noted by management.

NOTE M. PRIOR YEAR SUMMARIZED INFORMATION

The financial statements include certain prior year summarized comparative information in total but not by net assets 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 Clinic's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

NOTE N. RECLASSIFICATIONS

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE O. SUBSEQUENT EVENTS

For the year ended December 31, 2024, the Organization has evaluated subsequent events for potential recognition and disclosure through June 19, 2025, the date of financial statement issuance.

REPORT TO MANAGEMENT



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

To The Board of Directors
Pueblo Unido Community Development Corporation
La Quinta, 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 Pueblo Unido Community Development Corporation (a nonprofit 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, and have issued our report thereon dated June 19, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pueblo Unido Community Development Corporation's, internal control over financial reporting (internal control) to determine the 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 Pueblo Unido Community Development Corporation's, internal control. Accordingly, we do not express an opinion on the effectiveness of Pueblo Unido Community Development Corporation'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pueblo Unido Community Development Corporation'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 determination of financial statement amounts. 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.

A handwritten signature in black ink, consisting of several fluid, overlapping strokes that form a cursive-like name.

Palm Desert, California
June 19, 2025

PUEBLO UNIDO
COMMUNITY DEVELOPMENT CORPORATION

Schedule of Findings and Questioned Costs

Year Ended December 31, 2024

There were no findings or questioned cost for fiscal year end December 31, 2024 and there were no prior year findings.