Audited Financial Statements
and Supplementary Information

PUENTE

June 30, 2025

Quigley & Miron

Puente de la Costa Sur
Audited Financial Statements and Supplementary Information
Table of Contents
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Quigley & Miron

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Independent Auditor's Report

Board of Directors
Puente de la Costa Sur
Pescadero, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Puente de la Costa Sur (Organization), a nonprofit organization, which comprise the statement of financial position as of June 30, 2025, 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 the Organization as of June 30, 2025, and the changes in its net assets and 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 (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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Report on Other Legal and Regulatory Requirements

Other Reporting Required by Generally Accepted Government Auditing Standards

In accordance with *Generally Accepted Government Auditing Standards* (GAGAS), we have also issued our report dated April 30, 2026 on our consideration of the Organization'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with GAGAS in considering the Organization's internal control over financial reporting and compliance.

Required 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 County of San Mateo awards is presented for purposes of additional analysis as required by the County of San Mateo 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Puente de la Costa Sur's June 30, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 23, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Quigley & Miron

Los Angeles, California
April 30, 2026

Puente de la Costa Sur
Statement of Financial Position
June 30, 2025
(with comparative totals for 2024)

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 2,525,622	$ 4,485,424
Investments—Note 4	6,500,101	6,228,944
Government grants receivable	292,567	260,145
Pledges and grants receivable	820,000	200,000
Other receivables	21,462	89,724
Other assets	64,684	44,369
Total Current Assets	**10,224,436**	**11,308,606**
Noncurrent Assets		
Property and equipment, net	3,610,504	778,256
Total Noncurrent Assets	**3,610,504**	**778,256**
Total Assets	**$ 13,834,940**	**$ 12,086,862**
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 198,832	$ 68,379
Accrued liabilities	236,978	219,390
Deferred revenue	69,515	25,517
Total Liabilities	**505,325**	**313,286**
Net Assets		
Without donor restrictions	11,741,115	9,798,106
With donor restrictions—Note 6	1,588,500	1,975,470
Total Net Assets	**13,329,615**	**11,773,576**
Total Liabilities and Net Assets	**$ 13,834,940**	**$ 12,086,862**

See notes to the financial statements.

Puente de la Costa Sur
Statement of Activities
Year Ended June 30, 2025
(with summarized comparative totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
Operating Activities				
Revenue, Support, and Other Income				
Contributions				
Foundations	$ 872,419	$ 2,554,957	$ 3,427,376	$ 1,785,509
Individuals and charitable organizations	2,198,009		2,198,009	3,929,729
Corporations	35,144		35,144	60,835
In-kind contributions—Note 7	28,345		28,345	23,763
Government contract income	1,190,855		1,190,855	1,242,638
Program service fees	78,383		78,383	7,543
Interest and dividend income	325,979		325,979	321,462
Total Revenue, Support, and Other Income	**4,729,134**	**2,554,957**	**7,284,091**	**7,371,479**
Net assets released from restrictions	2,941,927	(2,941,927)		
Total Revenue, Support, Other Income, and Releases of Restrictions	**7,671,061**	**(386,970)**	**7,284,091**	**7,371,479**
Expenses				
Program services	4,194,277		4,194,277	3,686,012
General and administrative	1,068,077		1,068,077	951,584
Fundraising	477,845		477,845	456,413
Total Expenses	**5,740,199**		**5,740,199**	**5,094,009**
Change in Net Assets From Operations	**1,930,862**	**(386,970)**	**1,543,892**	**2,277,470**
Nonoperating Activities				
Investment return, net—Note 4	12,147		12,147	87,374
Total Nonoperating Activities	**12,147**		**12,147**	**87,374**
Change in Net Assets	**1,943,009**	**(386,970)**	**1,556,039**	**2,364,844**
Net Assets at Beginning of Year	**9,798,106**	**1,975,470**	**11,773,576**	**9,408,732**
Net Assets at End of Year	**$ 11,741,115**	**$ 1,588,500**	**$ 13,329,615**	**$ 11,773,576**

See notes to financial statements.

Puente de la Costa Sur
Statement of Functional Expenses
Year Ended June 30, 2025
(with summarized comparative totals for 2024)

	Program Services											
	Community Mental Health Program	**Community Development Program**	**Community Health Program**	**Education Program**	**Advocacy Program**	**Scholarship Program**	**PHS Program**	**Total Program Services**	**General and Administrative**	**Fundraising**	**2025 Total**	**2024 Total**
Salaries	$ 361,563	$ 418,992	$ 528,506	$ 404,833	$ 199,491	$	$ 72,760	$ 1,986,145	$ 582,475	$ 299,163	$ 2,867,783	$ 2,664,743
Other employee benefits	38,194	57,302	92,105	54,430	16,641		9,875	268,547	58,325	43,309	370,181	347,061
Payroll taxes	29,847	34,590	43,669	33,493	16,461		6,020	164,080	55,038	24,713	243,831	227,390
Total Personnel Expenses	**429,604**	**510,884**	**664,280**	**492,756**	**232,593**		**88,655**	**2,418,772**	**695,838**	**367,185**	**3,481,795**	**3,239,194**
Accounting fees	6,710	7,794	9,570	7,408	3,216		2,476	37,174	152,366	5,191	194,731	168,773
Capital expenditures	1,346	1,100	1,100		4,297			7,843	30,050		37,893	27,834
Community outreach			62,575		575		1,288	64,438	30	1,425	65,893	10,376
Computer/internet access	16,374	20,092	23,575	15,669	11,361		2,344	89,415	34,227	11,492	135,134	118,616
Depreciation	1,917	2,199	2,786	99,414	1,043		96,320	203,679	3,213	1,569	208,461	54,635
Dues and subscriptions	5,209	1,237	1,312	380	396		79	8,613	3,322	10,748	22,683	22,158
Equipment maintenance and rental	1,083	1,255	1,596	1,202	583		5,286	11,005	3,251	892	15,148	6,997
Food supplies	1,256	37,124	170,111	14,757	8,877		131	232,256	6,319	2,233	240,808	184,605
Insurance	2,598	2,961	3,764	2,911	1,405		14,297	27,936	4,063	2,101	34,100	18,258
Interest expense									111		111	74
Material and supplies	8,663	13,081	6,022	13,398	5,085		4,807	51,056	17,830	10,035	78,921	107,748
Miscellaneous	604	619	1,723	719	812		25,357	29,834	7,241	889	37,964	20,232
Occupancy	7,851	9,777	10,317	7,751	3,673		107,688	147,057	34,317	5,883	187,257	57,448
Office expense	11,546	21,792	16,892	12,835	6,352		8,668	78,085	28,144	12,601	118,830	89,703
Printing and copying	24	1,597	301	490	2,348		181	4,941	509	20,701	26,151	41,635
Professional fees	104,948	489	984	14,741	52,414		27,987	201,563	35,734	24,315	261,612	345,727
Scholarships and stipends	2,469			58,820	6,300	98,000	4,000	169,589		60	169,649	162,003
Shelter/emergency support		349,029	28,512				2,299	379,840			379,840	378,363
Transportation	1,277	1,145	17,941	7,903	1,809		1,106	31,181	11,512	525	43,218	39,630
Total Expenses	**$ 603,479**	**$ 982,175**	**$ 1,023,361**	**$ 751,154**	**$ 343,139**	**$ 98,000**	**$ 392,969**	**$ 4,194,277**	**$ 1,068,077**	**$ 477,845**	**$ 5,740,199**	**$ 5,094,009**
Percentage of expenses	10.51%	17.11%	17.83%	13.09%	5.98%	1.71%	6.85%	73.07%	18.61%	8.32%	100.00%	

See notes to financial statements.

Puente de la Costa Sur
Statements of Cash Flows
Year Ended June 30, 2025
(with comparative totals for 2024)

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	$ 1,556,039	$ 2,364,844
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Contributions of marketable securities	(123,923)	
Depreciation	208,461	54,635
Net realized and unrealized investment gains	(12,147)	(87,374)
Changes in operating assets and liabilities:		
Government grants receivable	(32,422)	242,280
Pledges and grants receivable	(620,000)	85,750
Other receivables	68,262	(22,158)
Other assets	(20,315)	67,853
Accounts payable	130,453	(78,097)
Accrued liabilities	17,588	5,814
Deferred revenue	43,998	(70,948)
Net Cash Provided by Operating Activities	**1,215,994**	**2,562,599**
Cash Flows from Investing Activities		
Purchases of furniture and equipment	(3,040,709)	(223,663)
Purchases of investments	(13,021,773)	(36,849,934)
Proceeds from sale and maturities of investments	12,886,686	30,841,256
Net Cash Used in Investing Activities	**(3,175,796)**	**(6,232,341)**
Decrease in Cash and Cash Equivalents	**(1,959,802)**	**(3,669,742)**
Cash and Cash Equivalents at Beginning of Year	**4,485,424**	**8,155,166**
Cash and Cash Equivalents at End of Year	**$ 2,525,622**	**$ 4,485,424**
Supplemental Disclosures		
Income taxes paid	$	$
Interest paid	$ 111	$ 74

See notes to financial statements.

Note 1—Organization

Puente de la Costa Sur (Organization) is a non-profit California corporation which has operated in San Mateo County since 1998. The Organization's mission is to foster wellness and prosperity in the San Mateo South Coast communities of Pescadero, La Honda, Loma Mar, and San Gregorio, by promoting and advocating for equitable access to education, health, economic stability, civic engagement and affordable housing. The Organization serves everyone who lives or works on the South Coast, regardless of immigration status, although the Organization's focus is primarily to create equitable opportunities for children 0-5 years old, first-generation college students, families and children in the local school district, farmworkers, low-income households, and seniors. Their vision is a South Coast region with an inclusive and thriving community where people embrace diversity and equity.

The Organization provides programs and services in seven areas: Community Mental Health, Community Development, Community Health, Education, Advocacy, Scholarship, Public Health Services, affordable housing. Some of the programs offered include: emergency food, bicycles and other essential items, rental and utility financial assistance, individual tax preparation assistance, financial literacy classes, English and Spanish literacy programs, enrollment in health insurance programs, educational health outreach through a health promoters program, health clinic services, mental health counseling, legal immigration services, parenting classes, early childhood development activities, childcare parent cooperative, leadership development and employment programs for youth, advocacy, scholarships for college students, office services, translation and interpretation, community organizing, housing and employment rights advocacy.

Note 2—Summary of Significant Accounting Policies

Financial Statement Presentation—The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Organization's net assets are classified based on the existence or absence of donor-imposed restrictions. As such, the net assets of the Organization and changes therein are presented and reported as follows:

> Net assets without donor restrictions—Net assets that are not subject to donor-imposed stipulations and that may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
>
> Net assets with donor restrictions—Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; such restrictions that may or will be met either by actions of the Organization and/or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. Generally, the donors of such assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a time restriction expires or a purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

Measure of Operations—The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of the Organization's various community services and programs, and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Note 2—Summary of Significant Accounting Policies—*Continued*

Income Taxes—The Organization is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (Code) and Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes is included in the financial statements. In addition, the Organization is not a private foundation within the meaning of Section 509(a) of the Code. Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered *'more likely than not'* to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for a tax liability is not necessary at June 30, 2025 and 2024. Generally, the Organization's information returns remain open for examination for a period of three (federal) or four (state of California) years from the date of filing.

Cash and Cash Equivalents—The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments—Investments in securities are initially recorded at cost on the trade date, if purchased, or at fair market value, if received as a contribution. Subsequent to acquisition, investments in securities are reported at fair value. Interest and dividends earned on investments are recognized when earned and reported as interest and dividend income under revenue and support in the statement of activities. Gains and losses on investments are recognized as changes in their fair market values occur in the period reported and are reported on the statement of activities under the investment return, net caption.

Government Grants Receivable—Government grants receivable represents unconditional grants from government agencies not collected as of June 30, 2025 and 2024. The Organization has determined that no allowance for doubtful accounts due to uncollectable government grants receivable was necessary at June 30, 2025 and 2024 as all such receivables are considered to be fully collectible.

Pledges and Grants Receivable—Pledges receivable represents unconditional promises to give from corporations, foundations and individuals as of June 30, 2025 and 2024. The carrying amounts for pledges receivable reported in the combined statement of financial position approximate fair values, as all amounts are expected to be received or paid within one year, and management has determined that no allowance for doubtful accounts due to uncollectible pledges receivable was necessary at June 30, 2025 and 2024 as all such receivables are considered to be fully collectible.

Concentration of Credit Risk—Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents, investments, and receivables.

The Organization places its cash, money market funds and certificates of deposit with high credit quality financial institutions where the funds are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per institution. At times, such cash and cash equivalent balances may be in excess of the FDIC insurance limits, however, it is the intention of the Organization to ensure that these balances do not exceed FDIC-guaranteed levels. Management regularly reviews the financial stability of its cash and money market fund depositories and deems the risk of credit loss due to these concentrations to be minimal.

Cash held in investment accounts at investment custodians firms are insured by the Securities Investors Protection Corporation (SIPC) up to $250,000 and the investments in securities are insured up to $500,000, per institution. Certain investments are held in mutual funds which are secured by the underlying assets of the mutual funds.

SIPC insurance protects the custody function of the investment custodian; it does not provide protection against fluctuations in market value. Such balances are in excess of the SIPC coverage limits. Management of the Organization has assessed the credit risk associated with the investments in equity mutual funds and believes it is not exposed to any significant credit risk with its and investments.

Note 2—Summary of Significant Accounting Policies—*Continued*

Government grants receivable consist of balances from local, state and federal agencies in which the income has been earned but not received at year end. The Organization has determined that no allowance for doubtful accounts due to uncollectible receivables is necessary at June 30, 2025 and 2024.

Pledges and grants receivable consist of balances from local foundations. The Organization has determined that no allowance for doubtful accounts due to uncollectible receivables is necessary at June 30, 2025 and 2024.

<u>Property and Equipment</u>—Property and equipment are stated at cost or estimated fair market value at date of gift, and depreciated using the straight-line method over the estimated useful lives of five to seven years. Amounts over $1,000 are capitalized when such amounts are determined to benefit future periods.

<u>Contributions</u>—Contributions with and without donor restrictions are recorded in the period received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

<u>Contracts with Customers</u>—Accounting standards require an organization to recognize revenue arising from contracts with customers at the time the customer obtains control of a contracted goods or service. Other major provisions include capitalization of certain contract costs, consideration of time value of money in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

<u>Revenue Recognition</u>—The Organization's revenue recognition policies are as follows:

<u>Government contract income</u>—Revenues from government contracts and grants are reported as increases in net assets without donor restrictions when allowable expenditures under such agreements are incurred. The amounts expended in excess of reimbursements are reported as grants receivable. Amounts received in excess of amounts expended are recorded as deferred revenue.

<u>Program service fees</u>—Program service fee revenue is recognized in the applicable period in which the program is performed. The portion related to a future period is reflected on the statement of financial position as deferred revenue.

<u>Interest and dividend income</u>—Interest and dividend income earned on investments is recognized when received and is reported as interest and dividends under revenue and support in the statement of activities.

<u>In-Kind Contributions</u>—The Organization receives periodic donations of supplies from local vendors and the community, which are recorded at estimated fair market value at the date of donation, if significant. The Organization recognizes in-kind services if they (a) create or enhance nonfinancial assets, or (b) require specialized skills and are provided by individuals possessing those skills and would need to be purchased if not provided by donation.

A substantial number of volunteers have donated significant amounts of their time to the Organization and its programs. Such donated services are not reflected in the financial statements since these services do not meet the above criteria for recognition as contributed services.

Note 2—Summary of Significant Accounting Policies—*Continued*

Functional Allocation of Expenses—The costs of providing the various programs and student activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Accounting fees, capital expenditures, community outreach, computer/internet access, depreciation, equipment maintenance and rental, food supplies, insurance, material and supplies, miscellaneous, occupancy, office expense, printing and copying, professional fees, scholarship and stipends, shelter/emergency support, and transportation are allocated on the basis of estimates of time and effort. All other functional expenses are charged directly to the program or function benefitted.

Use of 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.

Comparative Totals—The financial statements include certain prior year summarized comparative information in total but not by net asset class, which has been audited by other auditors. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the audited financial statements for the year ended June 30, 2024, from which the summarized information was derived.

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

Note 3—Availability and Liquidity

The Organization's goal is generally to maintain $3,000,000 of financial assets to meet 6 months of operating expenses.

Financial assets available for general expenditure within one year of the statement of financial position date consist of cash and cash equivalents, investments, and receivables. Financial assets that are subject to donor restrictions or other contractual limitations are not considered available for general expenditure. At June 30, 2025 and 2024, cash and cash equivalents of $768,500 and $1,775,470 were subject to donor restrictions and therefore excluded from financial assets available for general expenditure.

The following represents the availability and liquidity of the Organization's financial assets at June 30, 2025 and 2024 to cover operating expenses for the next fiscal year:

	2025	2024
Cash and cash equivalents, net of restrictions	$ 1,757,122	$ 2,709,954
Investments	6,500,101	6,228,944
Government grants receivable	292,567	260,145
Other receivables	21,462	89,724
Current Availability of Financial Assets	**$ 8,571,252**	**$ 9,288,767**

Note 4—Investments and Fair Value Measurements

As of June 30, 2025 and 2024, the fair value of investments consists of the following:

	2025		2024	
	Cost	**Fair Value**	**Cost**	**Fair Value**
US Treasuries	$ 6,426,715	$ 6,500,101	$ 6,171,610	$ 6,228,944
Totals	**$ 6,426,715**	**$ 6,500,101**	**$ 6,171,610**	**$ 6,228,944**

Net investment income for the years ended June 30, 2025 and 2024, all recorded in net assets without donor restrictions, consists of the following:

	2025	**2024**
Unrealized investment gains	$ 12,147	$ 61,596
Realized investment gains		25,778
Investment Return, Net	**12,147**	**87,374**
Interest and dividend income	325,979	321,462
Total Investment Return	**$ 338,126**	**$ 408,836**

In determining the fair value of assets and liabilities the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Organization determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market.

When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are characterized in one of the following levels:

Level 1—Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the Organization at the measurement date.

Level 2—Valuations based on observable inputs (other than Level 1), such as quoted prices for similar assets at the measurement date, quoted prices in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement and involve management judgment.

The Organization may utilize a practical expedient for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value. The practical expedient used by the Organization to value private investments is the Net Asset Value (NAV) per share, or its equivalent. In some instances, the NAV may not equal the fair value that would be calculated under fair value accounting standards. The Organization had no assets or liabilities classified at NAV as a practical expedient during the years ended June 30, 2025 and 2024.

Investments measured at fair value on a recurring basis consisted of U.S. Treasuries totaling $6,500,101 and $6,228,944 as of June 30, 2025 and 2024, respectively, all of which were classified within Level 2 of the fair value hierarchy.

Note 5—Property and Equipment, Net

Net property at June 30, 2025 and 2024 consists of the following:

	2025	2024
Land	$ 103,597	$
Buildings	2,877,512	142,703
Construction in progress	823,201	623,941
Leasehold improvements	208,196	205,154
Equipment	133,318	133,318
Property and Equipment	**4,145,824**	**1,105,116**
Less accumulated depreciation and amortization	(535,320)	(326,860)
Totals	**$ 3,610,504**	**$ 778,256**

During the year ended June 30, 2024, as part of exploring housing solutions for the South Coast, Puente de la Costa Sur entered into a contingent purchase agreement for a property in Pescadero, California, with a purchase price of approximately $3,000,000. Puente de la Costa Sur completed the purchase of the property in July 2024 for $2,912,500.

Depreciation expenses totaled $208,461 and $54,635 for the years ended June 30, 2025 and June 30, 2024, respectively.

Note 6—Net Assets

Net assets with donor restrictions for the years ended June 30, 2025 and 2024 consist of the following:

	2025	2024
Subject to expenditure for specified purpose:		
Puente Housing Solutions	$ 365,723	$ 893,487
Education Program	147,629	276,985
Community Health Program	47,728	45,823
Scholarship Program	115,742	83,637
Community Mental Health Program	38,381	230,145
Administration	25,000	37,769
Community Development Program	12,845	33,550
Advocacy Program	11,452	130,266
Development Program	4,000	43,808
Total Subject to Expenditure for Specified Purpose	**768,500**	**1,775,470**
Subject to time restrictions:		
Puente Housing Solutions	100,000	
Administration	490,000	200,000
Community Development Program	140,000	
Community Health Program	75,000	
Education Program	15,000	
Total Subject to Time Restrictions	**820,000**	**200,000**
Total Net Assets With Donor Restrictions	**$ 1,588,500**	**$ 1,975,470**

Note 6—Net Assets—*Continued*

Net assets released from donor restrictions for the years ended June 30, 2025 and 2024 are as follows:

	2025	2024
Satisfaction of purpose restrictions:		
Puente Housing Solutions	$ 1,711,016	$
Education Program	281,892	480,768
Community Health Program	231,476	512,676
Community Development Program	220,143	401,871
Community Mental Health Program	191,764	198,753
Advocacy	143,164	353,434
Scholarship Program	84,895	82,000
Administration	37,769	409,951
Development Program	39,808	232,327
Total Satisfaction of Purpose Restrictions	**2,941,927**	**2,671,780**
Satisfaction of passage of time:		
General support		208,723
Total Satisfaction of Time Restrictions		**208,723**
Total Net Assets Released from Donor Restrictions	**$ 2,941,927**	**$ 2,880,503**

Note 7—In-Kind Contributions

In-kind contributions include contributions of in-kind use of facilities and supplies used in operations of programs and fundraising activities. For the years ended June 30, 2025 and 2024, in-kind contributions are reported in the statement of activities under revenue, support, and other income, and in the statement of functional expenses under the following expense captions:

	2025	2024
Occupancy	$ 16,800	$ 13,800
Materials and supplies	11,145	8,675
Food supplies	400	1,288
Totals	**$ 28,345**	**$ 23,763**

Materials and supplies and food are valued at the market value at the time of donation based on information provided by the donor. Donated use of facilities is valued at the fair market value of $12.20 per square foot. In-kind contributions were received by the Organization without donor-imposed restrictions.

Note 8—Contingencies

Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. Although this is a possibility, except as described below, the Board generally deems the contingency remote, since, by accepting a grant and its terms, the Board is acknowledging the requirements of the grantor at the time of receipt of the grant.

Note 8—Contingencies—*Continued*

In the normal course of operations, the Organization is subject to certain loss contingencies, such as litigation. In management's opinion, the liability, if any, for such contingencies will not have a material effect on the Organization's financial position.

Subsequent to June 30, 2025, the Organization executed a one-year noncancelable operating lease for office space located at 248 Main Street, Half Moon Bay, California, commencing December 1, 2025 and expiring November 30, 2026, with monthly base rent of $500 and a $1,000 security deposit.

Note 9—Retirement Benefits

The Organization has established a defined contribution plan for employees of Puente De La Costa Sur with more than one year of service. The plan provides for monthly contributions to be made by the Organization equal to a percentage of gross pay for each eligible employee. The employee is fully vested in the Organization's contributions. The Organization's contribution to the plan was $123,071 and $122,090, respectively, for the years ended June 30, 2025 and 2024.

Note 10—Subsequent Events

Subsequent to June 30, 2025, the Organization implemented its Capital Campaign to fund the full renovation of Casa de las Flores, a former high school which Puente purchased in 2024. The renovation is estimated to cost $5,000,000 and is intended to transform the existing structure into a safe, modern, and affordable housing facility. As of March 31, 2026, the Campaign had raised a total of $1,501,555 and incurred $349,527 in expenses.

Management evaluated all activities of Puente de la Costa Sur through April 30, 2026, which is the date the financial statements were available to be issued, and concluded that, other than the Capital Campaign mentioned above and the lease agreement described in Note 8, no other material subsequent events have occurred that would require adjustment to the financial statements or disclosure in the notes to the financial statements.

Puente de la Costa Sur
Schedule of Expenditures of County of San Mateo Awards
Year Ended June 30, 2025

Program Title	Grant Number	Grant Amount	Grant Period	Amount Expended
Trauma Informed Youth PEI for Youth	Resolution 080655	$ 570,000	10/1/24-6/30/25	$ 285,000
Core Agency and Lifline Transportation Services	751002R	691,414	7/1/22-6/30/25	233,127
Promoter to Low Income, Hard-to-Reach Residents of the South Coast Communities	2468422C00213	183,912	7/1/24-6/30/25	183,912
Suenos Unidos	19500-24-DO14	200,000	7/1/23-6/30/25	100,000
Health Care for the Homeless/Farmworker Health Program	021159B9	591,226	7/1/21-12/31/24	90,621
Health Care for the Homeless/Farmworker Health Program	80845	511,590	1/1/25-12/31/27	85,665
Project Success	NA	84,340	7/1/24-9/30/24	84,339
Health Care for the Homeless/Farmworker Health Program	Resolution 080888	300,000	1/1/25-12/31/26	63,651
Aging in Place Enhanced Transportation	57000-FY25-R079794A.A1	57,000	9/1/24-3/31/26	36,032
Aging and Adult Services	57000-FY26-R079796B	10,400	1/1/25-3/31/26	10,400
MHSA System Transformation	Caminar Pass Through	9,834	7/1/24-6/30/25	9,834
Trauma informed Co-occurring Services for Youth	NA	8,274	7/1/24-9/30/24	8,274
			Total Expenditures of County of San Mateo Awards	**$ 1,190,855**

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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
Puente de la Costa Sur
Pescadero, California

We have audited 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, the financial statements of Puente de la Costa Sur (Organization), which comprise the statement of financial position as of June 30, 2025, 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 April 30, 2026.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 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 the Organization's financial statements are free of 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 report is not suitable for any other purpose.

Quigley & Miron

Los Angeles, California
April 30, 2026