



Community Organized
Relief Effort

Consolidated Financial Statements
December 31, 2024

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INDEPENDENT AUDITORS' REPORT

Board of Directors
CORE Community Organized Relief Effort and Affiliates

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of CORE Community Organized Relief Effort and Affiliates (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CORE Community Organized Relief Effort and Affiliates (collectively, the Organization) as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Our audit was conducted for the purpose of forming an opinion on the consolidated 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 consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2025, 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 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 the Organization'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 the Organization's internal control over financial reporting and compliance.



Long Beach, California
May 2, 2025

**CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATES
(A NONPROFIT ORGANIZATION)**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 7,934,020
Investments	2,963,471
Accounts and contributions receivable, net	5,348,347
Prepaid expenses and other assets	1,945,914
Property and equipment, net	2,510,355
Operating lease right-of-use assets	<u>242,138</u>

TOTAL ASSETS \$ 20,944,245

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 859,281
Accrued wages and payroll taxes	1,583,097
Accrued expenses	296,704
Deferred revenue	3,328,933
Operating lease liabilities	<u>255,385</u>
	<u>6,323,400</u>

CONTINGENCIES (Note 10)

NET ASSETS

Without donor restrictions	12,161,886
With donor restrictions	<u>2,458,959</u>
	<u>14,620,845</u>

TOTAL LIABILITIES AND NET ASSETS \$ 20,944,245

The accompanying notes are an integral part of these consolidated financial statements.

**CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATES
(A NONPROFIT ORGANIZATION)**

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Grants and contributions	\$ 35,510,718	\$ 2,358,321	\$ 37,869,039
Contributions in-kind	771,663	-	771,663
Event revenue, net	2,000,858	-	2,000,858
Other income	206,945	-	206,945
Investment income, net	626,211	-	626,211
Net assets released from restrictions	<u>1,686,996</u>	<u>(1,686,996)</u>	<u>-</u>
Total revenue and support	<u>40,803,391</u>	<u>671,325</u>	<u>41,474,716</u>
FUNCTIONAL EXPENSES			
Program services	32,783,438	-	32,783,438
General and administrative	10,923,277	-	10,923,277
Fundraising	<u>1,518,772</u>	<u>-</u>	<u>1,518,772</u>
Total expenses	<u>45,225,487</u>	<u>-</u>	<u>45,225,487</u>
CHANGE IN NET ASSETS	(4,422,096)	671,325	(3,750,771)
NET ASSETS, BEGINNING OF YEAR	<u>16,583,982</u>	<u>1,787,634</u>	<u>18,371,616</u>
NET ASSETS, END OF YEAR	<u>\$ 12,161,886</u>	<u>\$ 2,458,959</u>	<u>\$ 14,620,845</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATES
(A NONPROFIT ORGANIZATION)**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

		Supporting Services		
	Program Services	General and Administrative	Fundraising	Total
PERSONNEL EXPENSES				
Personnel costs	\$ 7,429,859	\$ 4,876,001	\$ 353,580	\$ 12,659,440
Payroll taxes	705,398	462,932	33,569	1,201,899
Employee benefits	<u>3,684,494</u>	<u>1,376,662</u>	<u>177,018</u>	<u>5,238,174</u>
Total personnel expenses	<u>11,819,751</u>	<u>6,715,595</u>	<u>564,167</u>	<u>19,099,513</u>
OTHER EXPENSES				
Bad-debt expense	-	5,000	-	5,000
Bank fees	66,300	45,674	19,142	131,116
Construction services	494,464	-	-	494,464
Contract services	697,118	8,276	-	705,394
Marketing and outreach	47,319	14,420	281,306	343,045
Fuel and vehicle maintenance	739,365	27,224	17,190	783,779
Grants to other organizations	5,165,901	-	50,000	5,215,901
Insurance	97,898	869,852	7,082	974,832
IT hardware and software	221,321	639,029	1,313	861,663
Materials and supplies	9,426,854	-	-	9,426,854
Office supplies	168,585	31,880	13,948	214,413
Other expenses	81,162	120,783	82,201	284,146
Professional services	1,658,723	1,764,731	392,511	3,815,965
Program expenses	803,487	-	-	803,487
Rent and utilities	438,067	292,723	30,811	761,601
Telephone and communication	124,201	60,855	-	185,056
Travel	645,148	268,555	59,101	972,804
Depreciation and amortization	<u>87,774</u>	<u>58,680</u>	<u>-</u>	<u>146,454</u>
Total other expenses	<u>20,963,687</u>	<u>4,207,682</u>	<u>954,605</u>	<u>26,125,974</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 32,783,438</u>	<u>\$ 10,923,277</u>	<u>\$ 1,518,772</u>	<u>\$ 45,225,487</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATES
(A NONPROFIT ORGANIZATION)**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (3,750,771)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation and amortization	146,454
Gain on equity investment	(148,983)
Net realized and unrealized gain on investments	(152,662)
Noncash change in operating lease right-of-use assets	199,864
Change in operating assets and liabilities:	
Accounts and contributions receivable	382,107
Prepaid expenses and other assets	451,492
Accounts payable	(622,932)
Accrued wages and payroll taxes	(347,027)
Accrued expenses	(2,042,378)
Deferred revenue	(4,181,652)
Operating lease liabilities	<u>(202,849)</u>
Net Cash Used In Operating Activities	<u>(10,269,337)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	(2,810,809)
Purchases of property and equipment	<u>(939,303)</u>
Net Cash Used In Investing Activities	<u>(3,750,112)</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS (14,019,449)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 21,953,469

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 7,934,020

The accompanying notes are an integral part of these consolidated financial statements.

**CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATES
(A NONPROFIT ORGANIZATION)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 – General

Organization and Business

CORE Community Organized Relief Effort (CORE), formerly known as J/P Haitian Relief Organization, a 501(c)(3) organization, was founded on January 19, 2010, immediately after a 7.0 magnitude earthquake devastated Haiti. In response to this unprecedented disaster, CORE mobilized a network of doctors, emergency workers and government officials to take immediate action in Haiti. Since 2010, CORE has continued to work in Haiti with a team of Haitian employees working to rebuild communities every day. CORE has taken the experience gained in Haiti to expand its disaster relief and recovery efforts across the world, including the U.S. CORE changed its name in March 2019 to reflect the expansion of its efforts, vision, and program activities.

CORE’s mission is to empower communities in and beyond crisis. CORE faces the realities of disaster fearlessly, working on the ground to not only rebuild communities in the face of emergency, but to also create programs that focus on preparedness and resilience.

Programs in Haiti include disaster response, youth education, community development, and food security. In 2024, CORE launched a joint emergency in-kind food assistance program in highly food insecure households in Haiti. Also in 2024, CORE’s COVID vaccination activities continued as part of a broader public health response. Continuing its disaster response work domestically, CORE responded to Hurricane Helene and Hurricane Milton. Humanitarian activities continued in Ukraine and Sudan. CORE also responded to Hurricane Beryl providing immediate relief and supporting shelter rehabilitation.

CORE continues to build resilience of our partners in communities around the world. CORE implements emergency preparedness programming as well as strengthening public health, by providing vaccination and testing services, as well as resource coordination and benefits navigation.

CORE consolidates the activities of its one affiliate: Haiti Takes Root.

Haiti Takes Root (HTR), a 501(c)(3) organization, was founded in April 2016. Its mission is to improve lives of Haitians through environmental and poverty-alleviating activities. HTR was established with an idea to pool resources and efforts of public and private sector partners to work toward this mission.

**CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATES
(A NONPROFIT ORGANIZATION)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 – General (Continued)

Organization and Business (Continued)

CORE continued the development of Relief Compass, a disaster management coordination platform. During 2024, management of CORE incorporated Relief Compass, Inc. as a California corporation, however, no shares are issued and outstanding as of December 31, 2024. There were no recorded costs in 2024 though Relief Compass was active in operations.

Funding

CORE raises funds primarily through contributions from foundations, corporations and individual donors and grants from governmental and nongovernmental organizations and foundations.

Principles of Consolidation

The consolidated financial statements include the assets, liabilities, revenue and support, and functional expenses of CORE and HTR. All significant intercompany transactions have been eliminated in consolidation. Collectively, the consolidated entity is referred to as the Organization.

NOTE 2 – Summary of Significant Accounting Policies

Use of Estimates and Assumptions

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATES
(A NONPROFIT ORGANIZATION)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The consolidated financial statements are presented in accordance with standards generally accepted in the United States of America.

The Organization reports information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions based on the existence or absence of donor-imposed restrictions related to contributions.

Without Donor Restrictions - Net assets are comprised of assets that are for operating purposes or assets that are not subject to donor-imposed restrictions and are general in nature.

With Donor Restrictions - Net assets whose use by the Organization are subject to donor-imposed restrictions that are fulfilled by actions of the Organization pursuant to those stipulations or that expire by the passage of time. Other donor restrictions are perpetual in nature, where the donors of these assets permit the Organization to use all or part of the investment return on these assets for unrestricted purposes. As of December 31, 2024, the Organization had no net assets with donor restrictions that were perpetual in nature.

Revenue Recognition

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend are substantially met.

A significant portion of the Organization's revenue is derived from grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures or met performance requirements, in compliance with the specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures or meeting performance requirements are reported as deferred revenue in the statement of financial position.

**CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATES
(A NONPROFIT ORGANIZATION)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

The remainder of the Organization’s grants and contribution revenue for the year ended December 31, 2024 is recognized as conditional and unconditional contributions. At December 31, 2024, the Organization is party to conditional grants with grant terms through 2028 and additional funding of approximately \$20,681,000 that has not been recognized at December 31, 2024, because certain performance obligations have not yet been met.

Revenue from special events includes sponsorships, ticket sales, and donations. Sponsorships and ticket sales are recognized in the period in which the event occurs.

In-kind Contributions

In-kind contributions are recorded at their estimated fair market value at the time services are pledged or rendered or goods are received. Contributed services are recognized by the Organization if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Cash and Cash Equivalents

The Organization defines a cash equivalent as any investment with a purchased maturity of three months or less. The Organization’s cash equivalents were composed of money market funds at year end.

Accounts and Contributions Receivable

Accounts and contributions receivable include contributions receivable and other receivables earned from services performed. The Organization records contributions receivable whenever there is sufficient evidence in the form of verifiable documentation that an unconditional promise was made and received. The Organization determines the allowance for uncollectable receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectable. At December 31, 2024, the allowance for uncollectible receivables was \$104,090.

**CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATES
(A NONPROFIT ORGANIZATION)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are stated at cost or, for those assets acquired by gift or bequest, the estimated fair market value at the date of contribution. The Organization follows the policy of capitalizing expenditures that increase asset lives and expensing ordinary maintenance and repairs as incurred. Depreciation and amortization is computed using the straight-line method over estimated useful lives as follows:

Computer and office equipment	2 – 3 years
Vehicles	5 years
Buildings	15 years
Furniture and medical equipment	5 years
Leasehold improvements	Shorter of estimated useful life or remaining lease period

Capitalized Internal-Use Software Costs

The Organization capitalizes the cost of internal-use software that has a useful life in excess of one year in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 350-40, *Accounting for the Costs of Computer Software Developed or Obtained for Internal Use*. These costs consist of payments made to third parties and the salaries of employees working on such software development. Subsequent additions, modifications, or upgrades to internal-use software are capitalized only to the extent that they allow the software to perform a task it previously did not perform. Software maintenance and training costs are expensed in the period in which they are incurred. Capitalized internal-use software costs are amortized using the straight-line method over the estimated useful life of three years.

**CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATES
(A NONPROFIT ORGANIZATION)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Impairment of Long-lived Assets

Long-lived assets, such as property and equipment and operating lease right-of-use assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset be tested for possible impairment, the Organization first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment loss is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques, including discounted cash flow models, quoted market values, and third-party independent appraisals, as considered necessary. The Organization determined that none of its long-lived assets were impaired during the year ended December 31, 2024.

Functional Expenses

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and related expenses, which are allocated on the basis of estimates of time and effort.

Leasing Arrangements

The Organization determines if an arrangement contains a lease at inception based on whether the Organization has the right to control the asset during the contract period along with other facts and circumstances. For contracts that extend for a period greater than 12 months, the Organization recognizes right-of-use assets and corresponding liabilities. The exercise of these renewal options is at the sole discretion of the Organization, and only lease options that the Organization believes are reasonably certain to exercise are included in the measurement of the lease assets and liabilities. The present value of each lease is based on the future minimum lease payments in accordance with ASC 842 and is determined by discounting those payments using a risk-free discount rate with a period comparable with that of the lease term.

**CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATES
(A NONPROFIT ORGANIZATION)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. In addition, the Organization is classified as an organization that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code. Accordingly, a provision for federal or state income taxes has not been made in the consolidated financial statements.

The Organization recognizes the impact of uncertain tax positions in the consolidated financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. The Organization is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal and state purposes is generally three and four years, respectively.

Concentrations of Credit Risk

Financial instruments that potentially expose the Organization to concentrations of credit risk consist primarily of cash, cash equivalents, investments, and accounts and contributions receivable. The Organization places its cash and cash equivalents with high-credit, quality financial institutions, which may exceed amounts insured by the Federal Deposit Insurance Corporation. However, the Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

The Organization operates in Haiti, a foreign country, which does not have a history of a stable government or economy, as well as other foreign countries where relief efforts are needed. To the extent negative events occur in these countries or geographic areas, the Organization may not be able to recover its assets or remove its cash from these countries. The Organization held approximately \$1,686,000 in Haitian cash accounts and \$618,000 in net property and equipment located in Haiti as of December 31, 2024. The Organization also held cash totaling approximately \$3,000 in Poland, \$248,000 in Ukraine, and \$11,000 in Romania as of December 31, 2024.

During the year ended December 31, 2024, two grantors represented 29% of the Organization's revenue. Receivables from these two grantors represented 55% of the Organization's outstanding receivables as of December 31, 2024.

**CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATES
(A NONPROFIT ORGANIZATION)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Subsequent Events

Subsequent events have been evaluated through May 2, 2025, which is the date the consolidated financial statements were available to be issued.

NOTE 3 – Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following:

Cash and cash equivalents	\$ 7,934,020
Investments	2,963,471
Accounts and contributions receivable	<u>5,348,347</u>
	16,245,838
Less amounts unavailable for general expenditure within one year due to donor-imposed restrictions	<u>(2,458,959)</u>
	<u>\$ 13,786,879</u>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 4 – Investments and Fair Value Measurements

Fair value is defined in the accounting guidance as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Under this guidance, a three-level hierarchy is used for fair value measurements which are based on the transparency of information, such as the pricing source, used in the valuation of an asset or liability as of the measurement date.

**CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATES
(A NONPROFIT ORGANIZATION)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 – Investments and Fair Value Measurements (Continued)

Financial instruments measured and reported at fair value are classified and disclosed in one of the following three categories.

- Level 1** Inputs utilize quoted prices in active markets for identical assets or liabilities that are able to be accessed.

- Level 2** Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. Also included in level 2 are investments measured using a net asset value (“NAV”) per share, or its equivalent, that may be redeemed at that NAV at the date of the consolidated statement of financial position or in the near term, which is generally considered to be within 90 days.

- Level 3** Inputs are unobservable inputs for the assets or liabilities, which are typically based on an entity’s own assumption, as there is little, if any, related market activity.

Fair value measurements within the fair value hierarchy are based on the lowest level of any input that is significant to the measurement of a particular asset or liability. Valuation will maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table presents the fair value hierarchy for the assets measured at fair value on a recurring basis as of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Equity securities	\$ 2,213,757	\$ -	\$ -	\$ 2,213,757
Fixed income	749,714	-	-	749,714
	\$ 2,963,471	\$ -	\$ -	\$ 2,963,471

**CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATES
(A NONPROFIT ORGANIZATION)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 – Investments and Fair Value Measurements (Continued)

The net earnings on investments is as follows for the year ended December 31, 2024:

Interest and dividend income	\$ 483,640
Realized and unrealized gains	152,662
Fees	<u>(10,091)</u>
	<u>\$ 626,211</u>

NOTE 5 – Accounts and Contributions Receivable, Net

Accounts and contributions receivable are expected to be received within one year and consist of the following at December 31, 2024:

Unconditional contributions	\$ 314,607
Grants receivable	5,096,416
Accounts receivable from reciprocal transactions	<u>41,414</u>
	5,452,437
Allowance for uncollectable receivables	<u>(104,090)</u>
Total	<u>\$ 5,348,347</u>

**CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATES
(A NONPROFIT ORGANIZATION)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 – Property and Equipment

Property and equipment consist of the following at December 31, 2024:

Computer and office equipment	\$ 864,222
Vehicles	554,772
Buildings	725,136
Furniture and medical equipment	713
Leasehold improvements	<u>160,941</u>
	2,305,784
Less accumulated depreciation and amortization	<u>(1,437,637)</u>
	868,147
Capitalized software costs, in-progress	1,491,302
Land	<u>150,906</u>
Property and equipment, net	<u>\$ 2,510,355</u>

Capitalized software costs, in-progress for the year ended December 31, 2024, consists of amounts incurred for the development of an application for use in the Organization's relief efforts. Relief Compass, Inc. was organized in order to implement commercial use for the application-in-development.

**CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATES
(A NONPROFIT ORGANIZATION)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 7 – Net Assets with Donor Restrictions

At December 31, 2024, net assets with donor restrictions are restricted for the following purposes:

	<u>December 31, 2023</u>	<u>Additions</u>	<u>Releases</u>	<u>December 31, 2024</u>
Pakistan floods	\$ 79,584	\$ -	\$ (79,584)	\$ -
Haiti recovery	81,455	11,330	(92,785)	-
Ukraine response	1,442,596	269,023	(1,065,861)	645,758
Hurricane Helene	-	550,252	(296,749)	253,503
Sudan response	-	1,500,000	-	1,500,000
Other	<u>183,999</u>	<u>27,716</u>	<u>(152,017)</u>	<u>59,698</u>
Total	<u>\$ 1,787,634</u>	<u>\$ 2,358,321</u>	<u>\$ (1,686,996)</u>	<u>\$ 2,458,959</u>

NOTE 8 – Lease Arrangements

As of December 31, 2024, the Organization was obligated under an operating lease for the rental of office space in Los Angeles, which extends through December 2026. The lease agreement provides for minimum lease payments and does not include any material residual value guarantees or restrictive covenants.

The following summarizes the cash flow information related to leases for the year ended December 31, 2024:

Cash paid for amounts included in the measurement
of lease liabilities:

Operating cash flows from operating leases \$ 207,749

The weighted-average remaining lease term and discount rate for operating leases as of December 31, 2024 were as follows:

Weighted-average remaining lease term	2 years
Weighted-average discount rate	1.37%

**CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATES
(A NONPROFIT ORGANIZATION)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 – Lease Arrangements (Continued)

The maturities of lease liabilities as of December 31, 2024 are as follows:

Year Ending December 31,	Operating Leases
2025	\$ 127,935
2026	131,132
Total minimum lease payments	259,067
Less amount representing interest	(3,682)
Present value of minimum lease payments	\$ 255,385

NOTE 9 – Contributions – In-Kind

During the year ended December 31, 2024, contributed services and goods consisted of the following:

		<u>Valuation Techniques and Inputs</u>
Disaster relief services	\$ 374,413	Donated hours are reported on timesheets and valued based on an hourly rate for similar services in the field
Supplies and equipment	\$ 397,250	Retail values for similar goods

**CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATES
(A NONPROFIT ORGANIZATION)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 – Contingencies

Grants and Contracts

The Organization receives a significant portion of its revenue from government grants and contracts, all of which are subject to governmental audit. The ultimate determination of amounts received under these programs is generally based upon allowable costs reported to and audited by the government. As of year-end, management does not expect any significant risk related to unallowable costs.

Additionally, due to recent federal executive orders and evolving foreign policy directives, there is a possibility that certain expected receipts from federal foreign aid sources may be delayed, or remain uncollected. These funds are essential to supporting the Organization's humanitarian programs abroad. The Organization is actively monitoring these policy developments and their potential impact on the Organization's programs and financial position. The Organization remains committed to mitigating funding risks through diversified revenue sources and contingency planning.

Litigation

The Organization is sometimes involved in various claims and lawsuits arising in the normal course of its operations. Management believes the Organization has adequate defenses and insurance coverage for these actions and the outcome of any such ongoing litigation will not have a material adverse effect on the Organization's consolidated financial position, results of operations, or liquidity.

SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITORS' 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 of
CORE Community Organized Relief Effort and Affiliates

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 consolidated financial statements of CORE Community Organized Relief Effort and Affiliates (the Organization), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 2, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated 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 preceding paragraph 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization’s consolidated 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 consolidated 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.



Long Beach, California
May 2, 2025

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

To the Board of Directors of
 CORE Community Organized Relief Effort and Affiliates

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited CORE Community Organized Relief Effort and Affiliates' (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2024. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization 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 the Organization'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 the Organization’s federal programs.

Auditors’ 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 the Organization’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 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 the Organization’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 the Organization’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 the Organization’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 the Organization’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.

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 Auditors' 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.



Long Beach, California
May 2, 2025

CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATES
(A NONPROFIT ORGANIZATION)

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

Federal Grantor/Pass-Through Grantor / Program or Cluster Title	Grant Period	Assistance Listing Number	Agency or Pass-Through Number	Passed Through to Subrecipients	Program Award Amount	Current Year Expenditures
U.S. DEPARTMENT OF TREASURY						
<i>Pass-through Community Health Councils, Inc.</i> Coronavirus State and Local Fiscal Recovery Funds	10/1/2024-8/31/2026	21.027	ASST_NON_SLFPR0137_2001	-	960,000	22,027
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Rural Communities Opioid Response Program-Overdose Response	9/1/2023-8/31/2024	93.912	1 G39RH49486 01 00	-	300,000	252,123
<i>Pass-through State of GA DPH</i> Vaccination and Resource Coordination	7/1/2023-6/30/2025	93.268	40500-047-24244742	-	26,075,163	11,837,595
Monkeypox Response	3/24/2023-12/15/2024	93.354	40500-047-23234494	-	570,518	250,706
				-	26,645,681	12,088,301
<i>Pass-through North Carolina Department of Health and Human Services</i> Overdose Prevention and Harm Reduction Efforts	6/1/2023-5/31/2024	93.391	NH75OT000028	-	298,904	186,980
Preventative Health and Health Services Block Grant	9/1/2024-5/31/2025	93.991	NB01TO000055	-	70,000	40,343
				-	368,904	227,323
<i>Pass-through Georgia State University</i> Support for Community Health Worker program	12/1/2021-9/30/2023	93.495	NU58DP006989	-	5,000	467
<i>Pass-through Heluna Health</i> Ending the HIV Epidemic Services in Los Angeles County	3/1/2024-2/28/2025	93.686	0974.0203	-	50,000	34,704
<i>Pass-through Community Health Councils, Inc.</i> Community Engagement for Community Public Health Teams	8/1/2023-11/30/2025	93.967	PH-004037-W2	404,135	3,500,000	775,082
				404,135	30,869,585	13,378,000
Total - U.S. Department of Health and Human Services						
U.S. DEPARTMENT OF AGRICULTURE						
<i>Pass-through Fire Safe Council Siskiyou County</i> Siskiyou County Home Assessment and Defensible Space and Education Project	10/1/2024-7/31/2028	10.720	23DG11052012452	-	2,269,992	253,556
U.S. DEPARTMENT OF LABOR						
<i>Pass-through LKLP, Community Action Council</i> Disaster Recovery National Dislocated Worker Grant (NDWG)	6/11/2023-12/31/2024	17.277	MI889812260A21	-	227,202	93,337
CORPORATION FOR NATIONAL AND COMMUNITY SERVICES						
<i>Pass-through North Carolina Commission on Volunteerism and Community Service</i> Youth Engagement, Volunteer Generation	9/1/2023-8/31/2024	94.021	20VGHNC001	-	6,600	1,735
U.S. DEPARTMENT OF HOMELAND SECURITY						
<i>Pass-through City of Chicago</i> Covid-19 Vaccination Site Operations	3/15/2021-12/31/2024	97.036	79101734.20 / 169207	-	30,000,000	558,216
U.S. DEPARTMENT OF INTERNATIONAL DEVELOPMENT						
<i>Pass-through USAID</i> Promote Food Security Outcomes and Prevent the Spread of Cholera	9/8/2023-12/7/2024	98.001	720BHA23GR00188	221,886	5,442,453	4,203,115
<i>Pass-through Mercy Corps</i> Cash Consortium of Sudan (CCS)	7/1/2024-5/31/2025	98.001	720BHA24GR00286	54,507	1,000,000	715,769
				276,393	6,442,453	4,918,884
Total - U.S. Department of International Development						
Total Federal Awards				\$ 680,528	\$ 70,775,832	\$ 19,225,755

**CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATES
(A NONPROFIT ORGANIZATION)**

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

NOTE 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of CORE Community Organized Relief Effort and Affiliates (the Organization) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the consolidated financial statements.

NOTE 2 – Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in the notes to the consolidated financial statements of the Organization as of and for the year ended December 31, 2024.

The Organization has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATES
(A NONPROFIT ORGANIZATION)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

SECTION I – SUMMARY OF AUDITORS' RESULTS

Consolidated Financial Statements

The independent auditors' report expresses an unmodified opinion on whether the consolidated financial statements of Community Organized Relief Effort and Affiliates were prepared in accordance with generally accepted accounting principles.

Internal control over financial reporting

1. Material weakness(es) identified? – No
2. Significant deficiencies identified? – No
3. Noncompliance material to financial statements noted? – No

Federal Awards

Internal control over major programs

1. Material weakness(es) identified? – No
2. Significant deficiencies identified? – No
3. Type of auditors' report issued on compliance for major programs – Unmodified
4. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? – No
5. Identification of major programs:

Vaccination and Resource Coordination #93.268; Community Engagement for Community Public Health Teams #93.967
6. Dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
7. Auditee qualified as low-risk auditee? – Yes

**CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATES
(A NONPROFIT ORGANIZATION)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Continued)**

SECTION II – FINDINGS CONSOLIDATED FINANCIAL STATEMENTS AUDIT

None noted.

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

None noted.

SECTION VI – SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

None noted.