

NEWS
FINANCIAL STATEMENTS
June 30, 2017 and 2016

Audited by
Coughlan Napa CPA Company, Inc.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
NEWS

We have audited the accompanying financial statements of NEWS (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NEWS as of June 30, 2017 and June 30, 2016 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Coughlan Napa CPA Company, Inc.

Coughlan Napa CPA Company, Inc.
January 16, 2018

NEWS
STATEMENTS OF FINANCIAL POSITION
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT ASSETS		
Cash and Equivalents	\$ 589,134	\$ 509,944
Receivables	218,279	285,042
Prepaid Expenses and Deposits	27,998	10,902
<i>Total Current Assets</i>	<u>835,411</u>	<u>805,888</u>
PROPERTY AND EQUIPMENT, net	<u>312,018</u>	<u>247,032</u>
OTHER ASSETS		
Investments	<u>875,451</u>	<u>813,298</u>
TOTAL ASSETS	<u><u>\$ 2,022,880</u></u>	<u><u>\$ 1,866,218</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 28,100	\$ 12,647
Accrued Expenses	30,220	27,358
Agency Funds Held	122,913	37,504
<i>Total Current Liabilities</i>	<u>181,233</u>	<u>77,509</u>
NONCURRENT LIABILITIES		
Note Payable	<u>114,014</u>	<u>114,014</u>
NET ASSETS		
Unrestricted - Board Designated	1,180,000	1,050,000
Unrestricted - Other	547,633	624,695
<i>Total Net Assets</i>	<u>1,727,633</u>	<u>1,674,695</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,022,880</u></u>	<u><u>\$ 1,866,218</u></u>

See accompanying notes.

NEWS
STATEMENTS OF ACTIVITIES
For the years ended June 30, 2017 and 2016

	<u>2017</u>	2016
UNRESTRICTED NET ASSETS		
SUPPORT AND REVENUE		
Grants	\$ 1,561,867	\$ 1,478,896
Contributions	249,013	375,628
Donated Materials, Facilities and Services	65,425	72,925
Net Investment Return	62,489	6,462
Fiscal Agency Fees	4,362	-
<i>Total Unrestricted Support and Revenue</i>	<u>1,943,156</u>	<u>1,933,911</u>
Net Assets Released From Restrictions	<u>-</u>	<u>17,000</u>
<i>Total Support and Revenue</i>	<u>1,943,156</u>	<u>1,950,911</u>
EXPENSES		
<i>Programs</i>		
Emergency Shelter	454,863	369,435
Sexual Assault Victims Services	320,894	259,880
Outreach and Education	154,899	158,893
Kids Exposed to Domestic Violence	200,133	177,758
Safe Solutions	103,383	94,651
Legal Advocacy	75,807	75,912
Transitional Housing	243,345	149,242
Volunteers	47,154	67,065
Children Exposed to Domestic Violence	33,478	34,134
<i>Total Program</i>	<u>1,633,956</u>	<u>1,386,970</u>
<i>Support Services</i>		
Management and General	164,291	171,087
Fundraising	91,971	119,512
<i>Total Support Services</i>	<u>256,262</u>	<u>290,599</u>
<i>Total Expenses</i>	<u>1,890,218</u>	<u>1,677,569</u>
<i>Increase in Unrestricted Net Assets</i>	<u>52,938</u>	<u>273,342</u>
TEMPORARILY RESTRICTED NET ASSETS		
Net Asset Restrictions Satisfied by Payments	<u>-</u>	<u>(17,000)</u>
<i>Decrease in Temporarily Restricted Net Assets</i>	<u>-</u>	<u>(17,000)</u>
INCREASE IN NET ASSETS	52,938	256,342
NET ASSETS, BEGINNING OF YEAR	<u>1,674,695</u>	<u>1,418,353</u>
NET ASSETS, END OF YEAR	<u><u>\$ 1,727,633</u></u>	<u><u>\$ 1,674,695</u></u>

See accompanying notes.

NEWS
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	\$ 52,938	\$ 256,342
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Unrealized Losses on Investments	12,831	2,773
Depreciation	18,084	12,613
(Increase) Decrease in Receivables	66,763	(133,158)
(Increase) Decrease in Prepaid Expenses and Deposits	(17,096)	311
Increase in Accounts Payable	15,454	4,704
Increase (Decrease) in Accrued Expenses	2,861	(2,110)
Increase in Agency Funds Held	85,409	37,504
Total Adjustments	<u>184,306</u>	<u>(77,363)</u>
<i>Net Cash Provided by Operating Activities</i>	<u>237,244</u>	<u>178,979</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemptions of Certificates of Deposit	-	154,067
Purchase of Property and Equipment	(83,070)	(14,210)
Donation of Depreciable Property	-	(725)
Purchase of Investments	(768,381)	(371,425)
Proceeds from the Sale of Investments	693,397	132,406
<i>Net Cash Used by Investing Activities</i>	<u>(158,054)</u>	<u>(99,887)</u>
 <i>NET INCREASE IN CASH</i>	 79,190	 79,092
CASH, BEGINNING OF YEAR	<u>509,944</u>	<u>430,852</u>
CASH, END OF YEAR	<u><u>\$ 589,134</u></u>	<u><u>\$ 509,944</u></u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Non-Cash Investing Transactions:		
Fair Value of Property Donated	<u><u>\$ -</u></u>	<u><u>\$ 725</u></u>

See accompanying notes.

NEWS
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2017

	Emergency Shelter	SAVS	Outreach & Education	KEDS	Safe Solutions	Legal Advocacy	Transitional Housing 6/30/2016	Volunteers	CEDV	Total Program	Administration	Fundraising	Total
Compensation and Related Expenses													
Salaries and Wages	\$ 316,719	\$ 205,101	\$ 95,861	\$ 133,650	\$ 67,727	\$ 52,249	\$ 138,794	\$ 32,002	\$ 22,983	\$ 1,065,087	\$ 57,847	\$ 60,835	\$ 1,183,569
Payroll Taxes	26,609	17,232	8,054	11,229	5,690	4,390	11,661	2,689	1,931	89,483	4,860	5,094	99,438
Employee Benefits	36,538	23,661	11,059	15,418	7,813	6,028	16,012	3,692	2,651	122,872	6,673	6,995	138,541
Total Compensation and Related Expenses	379,866	245,994	114,973	160,297	81,231	62,667	166,467	38,383	27,565	1,277,443	69,381	72,724	1,419,548
Other Expenses													
Bank Charges	-	-	-	-	-	-	-	-	-	-	2,751	1,034	3,786
Communication	5,985	4,374	1,834	2,537	997	887	3,521	457	450	21,042	604	949	22,595
Depreciation	7,547	2,775	1,164	1,609	633	563	2,234	290	285	17,099	383	602	18,084
Dues and Subscriptions	-	500	-	-	-	-	-	-	-	500	3,884	-	4,384
Grants to Beneficiaries	826	11,048	-	221	3,844	169	33,202	350	152	49,813	-	-	49,813
Insurance	11,269	7,298	3,411	4,755	2,410	1,859	4,938	1,139	818	37,897	15,249	2,157	55,304
Licenses and Permits	604	20	-	-	-	-	10	-	-	634	33	-	667
Occupancy	10,774	26,747	11,216	15,515	6,068	5,427	21,532	2,794	2,749	102,853	3,694	5,803	112,350
Office Supplies	4,486	3,278	1,375	1,901	747	665	2,639	342	337	15,771	453	711	16,935
Printing and Reproduction	2,204	1,610	675	934	367	327	1,296	168	166	7,747	222	3,503	11,473
Professional Fees	11,215	3,235	423	-	1,305	1,358	-	-	-	17,536	53,734	-	71,270
Repairs and Maintenance	6,819	4,835	1,944	2,689	1,057	940	3,731	484	476	22,776	640	1,006	24,422
Staff Development and Training	-	2,668	7,752	1,256	1,379	40	87	2,238	-	15,622	7,314	-	22,935
Supplies	7,165	2,052	8,262	5,826	2,298	-	97	43	22	25,787	5,333	2,513	33,613
Travel	6,103	4,460	1,870	2,587	1,017	905	3,590	486	458	21,457	616	968	23,040
Total Other Expenses	74,997	74,900	39,926	39,836	22,152	13,140	76,879	8,771	5,913	356,513	94,910	19,246	470,670
TOTAL FUNCTIONAL EXPENSES	\$ 454,863	\$ 320,894	\$ 154,899	\$ 200,133	\$ 103,383	\$ 75,807	\$ 243,345	\$ 47,154	\$ 33,478	\$ 1,633,956	\$ 164,291	\$ 91,971	\$ 1,890,218

See accompanying notes

NEWS
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2016

	Emergency Shelter	SAVS	Outreach & Education	KEDS	Safe Solutions	Legal Advocacy	Transitional Housing	Volunteers	CEDV	Total Program	Administration	Fundraising	Total
Compensation and Related Expenses													
Salaries and Wages	\$ 248,873	\$ 174,041	\$ 94,800	\$ 112,889	\$ 58,584	\$ 44,433	\$ 76,690	\$ 39,888	\$ 20,495	\$ 868,292	\$ 57,473	\$ 81,701	\$ 1,007,468
Payroll Taxes	21,034	14,841	8,067	9,826	4,995	3,789	6,539	3,401	1,748	74,040	4,901	6,967	85,908
Employee Benefits	30,095	21,234	11,542	13,773	7,147	5,421	9,356	4,867	2,500	105,935	7,012	9,968	122,915
Total Compensation and Related Expenses	297,802	210,115	114,209	136,269	70,727	53,642	92,585	48,156	24,743	1,048,268	69,386	98,636	1,218,289
Other Expenses													
Bank Charges	-	-	-	-	-	-	-	-	-	-	1,301	296	1,596
Communication	5,285	2,829	1,438	2,498	816	1,473	1,567	1,440	735	18,080	694	1,002	19,777
Depreciation	7,715	956	486	844	276	498	530	487	248	12,040	235	339	12,813
Dues and Subscriptions	-	500	-	-	-	-	-	-	-	500	5,972	-	6,472
Grants to Beneficiaries	661	130	-	2,246	2,254	390	34,289	-	-	39,870	-	-	39,870
Insurance	7,337	5,177	2,814	3,358	1,743	1,322	2,281	1,186	610	25,826	15,235	2,430	43,492
Licenses and Permits	531	-	-	-	-	-	-	-	-	531	126	-	657
Occupancy	9,304	20,223	10,282	17,859	5,831	10,532	11,201	10,293	5,253	100,779	4,964	7,163	112,906
Office Supplies	4,148	2,730	1,388	2,411	787	1,422	1,512	1,390	709	16,496	670	967	18,133
Printing and Reproduction	1,555	1,023	520	904	295	533	567	521	266	6,162	251	4,001	10,435
Professional Fees	9,305	2,815	-	-	2,730	-	-	-	-	14,850	53,506	-	68,356
Program Supplies	20,260	4,995	15,089	3,591	4,910	2,965	1,446	684	87	54,026	3,738	2,654	60,418
Repairs and Maintenance	3,121	2,112	1,074	1,885	609	1,100	1,170	1,075	549	12,675	518	748	13,941
Staff Development and Training	1,950	2,672	9,762	2,712	2,637	160	99	-	-	19,991	13,606	-	33,597
Travel	481	3,602	1,832	3,181	1,039	1,876	1,995	1,834	936	16,756	684	1,276	18,917
Total Other Expenses	71,634	49,764	44,685	41,469	23,925	22,270	56,656	18,909	9,382	338,703	101,700	20,877	461,280
TOTAL FUNCTIONAL EXPENSES	\$ 369,435	\$ 259,880	\$ 158,893	\$ 177,738	\$ 94,651	\$ 75,912	\$ 149,242	\$ 67,065	\$ 34,134	\$ 1,386,970	\$ 171,087	\$ 119,512	\$ 1,677,569

NEWS
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 1 - NATURE OF ACTIVITIES

NEWS, a nonprofit corporation, is organized under the laws of the State of California. It is headquartered in Napa, California. NEWS believes that people affected by domestic violence and sexual abuse deserve safety, hope, healing and support to rebuild the future for themselves and their families. It promotes safe communities through prevention, intervention, education and advocacy. NEWS operates an emergency shelter and provides a variety of services, among them a 24-hour crisis line, individual and group counseling services, a children's club, court advocacy, a domestic violence response team, transitional housing and outreach and education. The Organization is supported primarily through grants from governmental agencies and private foundations and by contributions from the general public.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. To insure observance of limitations and restrictions placed on the use of resources available, the Organization maintains its operating accounts by function and program in accordance with program contracts and as prescribed by the Office of Criminal Justice and Planning Grantee Handbook, and the Department of Health Services, Maternal and Child Health Guidelines.

Governmental Reporting Procedures

The Organization receives government grants that contain certain reporting requirements. The Office of Emergency Services contract requires that expenditures be reported on a monthly basis using prescribed forms. These reports are required in order for the Organization to be reimbursed for expenditures within contract guidelines. The Maternal and Child Health contract requires an annual report of program results in order to receive the final twenty percent of grant funds.

Cash and Equivalents

The Organization considers all highly-liquid financial instruments with original maturities of three months or less to be cash equivalents, except when a restriction is imposed which limits the investment's use to long-term. Cash held temporarily in the long-term investment portfolio (until suitable investments are identified) is excluded from cash and cash equivalents. Cash is held in demand accounts and certificates of deposits at various financial institutions, and cash balances may exceed the federally insured amounts during the year. Cash and equivalents include only funds that are not restricted by the donor.

Receivables

Grants and accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on grants and accounts receivable using the allowance method. The allowance is based on past loss experience, specific impaired balances, adverse situations that may affect the repayment, and current economic conditions. Receivables are considered impaired if payments are not received in accordance with transactional terms. It is the Organization's policy to charge off uncollectible balances when management determines the receivable will not be collected.

Grants and accounts receivable arise primarily from contracts with governmental agencies which provide for reimbursement of expenditures within contract guidelines. Management believes that all grants and accounts receivable will be collected. Consequently, no provision for uncollectible accounts has been recorded in these financial statements.

NEWS
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided using the straight-line method over estimated useful lives of 5 to 30 years. Donated property is recorded at the estimated fair value at the date of receipt. It is the Organization's policy to capitalize property and equipment acquisitions that exceed \$1,500.

Investments

Investments, which include equity securities, government securities and other investments, are carried at fair market value. Unrealized gains and losses are included in the statement of activities.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence of donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets. When a restriction expires (the purpose is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. When restrictions are satisfied in the same reporting period in which the support is received, the support is reported as unrestricted.

Donated Materials, Facilities and Services

The fair market value of donated materials, facilities and services requiring specialized skills are recognized in the financial statements as revenue, with corresponding expenses allocated to the related program or activity. The value of volunteers' contributed time is not reflected in the financial statements since it cannot be reasonably determined.

Functional Allocation of Expenses

Identifiable program costs are charged directly to each respective program. Personnel costs are allocated to programs based upon the estimated level of staff involvement. Support expenses include general and administrative expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Organization.

Subsequent Events

Management has evaluated all events and transactions that occurred after June 30, 2017 up through January 16, 2018, the date these financial statements were available to be issued. During this period the Organization did not have any significant recognizable or unrecognizable subsequent events.

Income Tax Status

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. Accordingly, no taxes have been provided for in the accompanying financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified by the Internal Revenue Service as other than a private foundation under Section 509(a)(1).

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions which affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from these estimates.

NEWS
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 3 - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Organization operates in a heavily regulated environment. The operations of the Organization are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, the California Emergency Management Agency (EMA). Such administrative directives, rules and regulations are subject to change by an act of the legislature or an administrative change mandated by EMA. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

NOTE 4 - FAIR VALUE MEASUREMENTS

The fair value measurement guidance establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The hierarchy is broken down into three levels:

Level 1 - Inputs are quoted prices in active markets for identical assets or liabilities.

Level 2 - Includes data points that are observable such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or similar assets or liabilities in markets that are not active, and inputs (other than quoted prices) such as interest rates and yield curves that are observable for the asset and liability, either directly or indirectly.

Level 3 - Inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis, which use Level 1, are as follows:

	<u>2017</u>	<u>2016</u>
	<u>Fair Value</u>	<u>Fair Value</u>
Long-term Investments:		
Equity Securities	<u>\$ 875,451</u>	<u>\$ 813,298</u>

NOTE 5 - PROGRAMS AND ACTIVITIES

Emergency Shelter

The NEWS emergency shelter is a safe, confidential house located in a residential neighborhood. It is a real home with a beautiful kitchen, private bedrooms and bathrooms, indoor and outdoor play areas for children, and a cozy family room where clients can relax or hold family meetings. NEWS staff is there around the clock to work with clients on individualized plans to find resources for a future free of violence.

Transitional Housing

The Transitional Housing Program assists clients in finding safe, affordable housing. Continued supportive services are also a part of this program. These services can last for up to two years. Many NEWS clients who find shelter in the Safe House transition into apartments of their own.

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NOTES TO FINANCIAL STATEMENTS
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NOTE 5 - PROGRAMS AND ACTIVITIES (Continued)

Sexual Assault Victim Services

The Sexual Assault Victim Services (SAVS) Program is the Rape Crisis Center serving survivors of sexual abuse throughout Napa County. This program provides 24 hour immediate response by trained Rape Crisis Counselors for both adult and child survivors of sexual abuse and their family members. SAVS offers support and advocacy through the criminal justice process, assistance with filing for Victim of Crime Compensation, counseling and support groups.

Outreach and Education

Outreach and Education is an important part of ending domestic violence in our community. NEWS provides domestic violence prevention and education programs to schools, under-served populations, employers, social service organizations, and the general public in an effort to help the community identify and understand the dynamics of domestic violence, and where to get help if they need it.

Volunteers

The NEWS Volunteer Program provides two 60-hour training sessions per year, free of cost, for those interested in becoming Domestic Violence and Sexual Assault Counselors. Volunteer opportunities include becoming a member of the Domestic Violence Response Team. The Domestic Violence Response Team Program utilizes a team of trained domestic violence and sexual assault counselor volunteers to respond immediately to victims of domestic violence or sexual assault at the request of law enforcement. They go either directly to the scene of an incident or to a designated safe location. The counselors provide emotional support, information, safety planning, and resources. They work with each client to develop a plan for follow-up services. Volunteers may also help in providing court advocacy services and working at the safe house on the 24-hour crisis line.

Kids Exposed to Domestic Violence

The Kids Exposed to Domestic Violence Program (KEDS) provides several components to assist children who have been exposed to violence at home. Children are assessed and are offered resources to build protective factors and reduce risk factors for future adverse affects as a result of exposure to violence. Follow up and support is offered to non-offending parents to assist in children's individualized case plan. Parents receive education and information on how they can build protective factors for their children, and children may participate in NEWS' Kids Club weekly support groups where a curriculum is offered to help build safety and self esteem while doing fun and creative activities.

Legal Advocacy

The Court Advocacy Program provides help with the process of filing for protective orders and advocacy to victims of domestic violence. The Court Advocate will work together with clients to find resources pertaining to child custody, visitation, and other civil issues related to abuse.

Safe Solutions

The Safe Solutions program is designed to work specifically with women who have co-occurring domestic violence, drug or alcohol dependency issues and/or mental health issues. The program was designed using trauma informed practices and uses intensive case management to help women discover triggers and coping skills to guide them to safety and support. There is a strong emphasis on working toward successful connections to resources that support their recovery and healing.

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NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 5 - PROGRAMS AND ACTIVITIES (Continued)

Children Exposed to Domestic Violence

The Napa Police Department Children Exposed to Domestic Violence Program funds a half-time NEWS Domestic Violence (DV) Advocate to be located on site at the Napa Police Department. The DV Advocate works in collaboration with a dedicated police officer and a child welfare worker to ensure a coordinated response to DV incidents where children are present. NEWS staff and our partners review all incident reports and provide follow up in-person wherever possible to offer support, services, and education to parents on behalf of their children. NEWS also coordinates a 24 hour immediate response team to provide emergency crisis response to the scene of DV incidents. The program aims to reduce the long range negative impacts to children exposed to violence at home.

Fundraising

Fundraising expense includes the Organization's efforts to obtain grants from governmental agencies and private foundations, and solicit contributions from the local community.

Management and General

Management and general includes the functions necessary to coordinate and articulate the Organization's program strategy, maintain competent professional services for the administration of the Organization, and manage the financial and budgetary responsibilities of the Organization.

NOTE 6 - CONCENTRATIONS

The Organization received approximately 51% of its total support from three funding agencies in 2017 and approximately 45% of its total support from these funding agencies in 2016.

NOTE 7 - PROPERTY AND EQUIPMENT

	<u>2017</u>	<u>2016</u>
Land	\$ 50,336	\$ 50,336
Emergency Shelter	441,906	371,031
Furniture and Equipment	122,714	115,818
Vehicles	5,000	5,000
Total Property and Equipment	<u>619,956</u>	<u>542,185</u>
Less Accumulated Depreciation	<u>(307,938)</u>	<u>(295,153)</u>
Net Property and Equipment	<u>\$ 312,018</u>	<u>\$ 247,032</u>
Depreciation Expense	<u>\$ 18,084</u>	<u>\$ 12,613</u>

The Organization's emergency shelter was acquired partly with funds provided by the City of Napa under an agreement that contained restrictions. See Note 9.

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NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 8 - INVESTMENTS

The fair market values of investments and the related unrealized appreciation are summarized as follows:

	June 30, 2017		
	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Appreciation</u>
Equity Securities	<u>\$ 854,720</u>	<u>\$ 875,451</u>	<u>\$ 20,731</u>

	June 30, 2016		
	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Appreciation</u>
Equity Securities	<u>\$ 779,736</u>	<u>\$ 813,298</u>	<u>\$ 33,562</u>

Net investment return is comprised of the following:

	<u>2017</u>	<u>2016</u>
Interest and Dividend Income	\$ 27,913	\$ 19,434
Realized Gains (Losses)	59,424	(3,398)
Unrealized Losses	(12,831)	(2,773)
Investment Fees	(12,017)	(6,801)
Net Investment Income	<u>\$ 62,489</u>	<u>\$ 6,462</u>

As listed above, the Organization purchases various investment securities. Investment securities are exposed to risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the fair market value of the investment balance.

NOTE 9 - NOTE PAYABLE

The Organization is obligated under a note payable in the amount of \$114,014 to the City of Napa that is secured by a deed of trust on the Organization's emergency shelter. The note does not bear interest but shall be due if the shelter is sold or no longer used as a public facility for providing transitional shelter for battered women and their children. If the shelter is sold, the Organization will be liable for the face amount of the note plus 45 percent of the sale price in excess of \$252,100.

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NOTE 10 - BOARD DESIGNATED UNRESTRICTED NET ASSETS

The Organization's board of directors has established a policy by which it evaluates the amount of the Organization's net assets available to sustain its mission and a board designated fund to maintain adequate reserves. Unrestricted and temporarily restricted assets are needed to fund programs in the event that the receipt of grant monies are delayed, fundraising efforts are less than expected or a program temporarily loses funding. Since several of the Organization's primary programs are heavily dependent upon grants from governmental agencies, the Board has decided that the Organization's unrestricted reserves should be sufficient to provide six months of operating expenses, one year of fundraising support and avoid the necessity of selling any operating assets. Resources designated by the board for this purpose are considered unrestricted, as the designation is self-imposed. The amount of this board designated fund totaled \$1,180,000 at June 30, 2017 and \$1,050,000 June 30, 2016. The balance of the Organization's unrestricted net assets are not designated for any specific purpose.

NOTE 11 - RETIREMENT PLAN

The Organization has adopted a defined contribution pension plan under section 401(k) of the Internal Revenue Code that covers all employees who have been employed at least three months and are at least twenty-one years of age. Voluntary employee contributions to the plan may be matched by the Organization at its discretion. The Organization may also make a discretionary contribution to the accounts of all qualified employees. The Organization made discretionary contributions of \$10,482 in 2017 and \$8,357 in 2016 and no matching contributions in either year.

NOTE 12 - OFFICE LEASE

The Organization leases office space under a operating agreement that expires in June 2018. The space is leased from a local nonprofit organization that provides the facility at a below-market rate. Annual rent is charged based upon NEWS' share of common area maintenance. Total rent expense paid in cash under this lease was \$41,485 in 2017 and \$40,847 in 2016. The Organization may terminate the lease with ninety days notice at any time prior to the expiration date.

NOTE 13 - DONATED MATERIALS, FACILITIES AND SERVICES

The following amounts of donated materials, facilities and services, totaled by function, were received by the Organization from its landlord, vendors and professionals and are included as revenues and expenses in the financial statements. Donated facilities include the rental of the Organization's headquarters building. Donated services includes accounting fees relating to the preparation of the Organization's financial statements and federal and state tax reporting forms. The value of services provided by individual volunteers is not included.

	<u>2017</u>	<u>2016</u>
Headquarters Rent	\$ 56,000	\$ 58,700
Professional Services	9,425	13,500
Facility Improvements and Maintenance	-	725
Total Donated Materials and Services	<u>\$ 65,425</u>	<u>\$ 72,925</u>