

NEWS

FINANCIAL STATEMENTS

June 30, 2022 and 2021

Audited by

Coughlan Napa CPA Company, Inc.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
NEWS
Napa, CA

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of NEWS (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of NEWS as of June 30, 2022 and 2021, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NEWS 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 opinions.

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 NEWS's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NEWS'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 NEWS'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2023, on our consideration of NEWS'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 NEWS'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 NEWS's internal control over financial reporting and compliance.

Coughlan Napa CPA Company, Inc.

Coughlan Napa CPA Company, Inc.

February 21, 2023

NEWS
STATEMENTS OF FINANCIAL POSITION
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash and Equivalents	\$ 948,490	\$ 849,689
Receivables	410,813	310,795
Prepaid Expenses and Deposits	13,011	8,859
<i>Total Current Assets</i>	<u>1,372,314</u>	<u>1,169,343</u>
PROPERTY AND EQUIPMENT, net	<u>395,686</u>	<u>417,137</u>
OTHER ASSETS		
Investments (Note 8)	<u>906,697</u>	<u>1,043,122</u>
TOTAL ASSETS	<u>\$ 2,674,697</u>	<u>\$ 2,629,602</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 43,338	\$ 31,611
Accrued Expenses	71,703	69,021
Agency Funds Held	845	-
<i>Total Current Liabilities</i>	<u>115,886</u>	<u>100,632</u>
NONCURRENT LIABILITIES		
Note Payable (Note 9)	<u>114,014</u>	<u>114,014</u>
NET ASSETS		
Without Donor Restrictions - Board Designated	1,810,000	1,630,000
Without Donor Restrictions - Other	634,797	784,956
<i>Total Net Assets</i>	<u>2,444,797</u>	<u>2,414,956</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,674,697</u>	<u>\$ 2,629,602</u>

The accompanying notes are an integral part of these financial statements

NEWS
STATEMENTS OF ACTIVITIES
For the years ended June 30, 2022 and 2021

	2022	2021
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
SUPPORT AND REVENUE		
Grants	\$ 2,726,334	\$ 2,606,832
Contributions	402,153	535,862
Donated Materials, Facilities and Services	61,392	57,840
Net Investment Return	<u>(136,306)</u>	<u>185,099</u>
<i>Total Support and Revenue Without Donor Restrictions</i>	3,053,573	3,385,633
EXPENSES		
<i>Programs</i>		
Emergency Shelter	571,568	513,150
Transitional Housing	555,234	598,270
Sexual Assault Victims Services	493,164	365,524
Crisis intervention	441,111	473,718
Outreach and Education	221,950	159,029
Kids Exposed to Domestic Violence	149,078	143,150
Volunteers	69,285	45,735
Monarch Family Justice Center	<u>54,046</u>	<u>27,951</u>
<i>Total Support and Revenue without donor restrictions</i>	<u>2,555,436</u>	<u>2,326,527</u>
<i>Support Services</i>		
Management and General	289,328	277,818
Fundraising	<u>178,802</u>	<u>187,341</u>
<i>Total Support Services</i>	<u>468,130</u>	<u>465,159</u>
<i>Total Expenses</i>	<u>3,023,566</u>	<u>2,791,686</u>
<i>Increase in Net Assets Without Donor Restrictions</i>	<u>30,007</u>	<u>593,947</u>
NET ASSETS, BEGINNING OF YEAR	<u>2,414,956</u>	<u>1,821,009</u>
NET ASSETS, END OF YEAR	<u>\$ 2,444,797</u>	<u>\$ 2,414,956</u>

The accompanying notes are an integral part of these financial statements

NEWS
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	\$ 30,007	\$ 593,947
Adjustments to Reconcile Increase in Net Assets to Net Cash		
Provided by Operating Activities:		
Unrealized Gains on Investments	160,801	(152,540)
Depreciation	21,451	27,620
(Increase) in Receivables	(100,954)	(6,518)
(Increase) Decrease in Prepaid Expenses and Deposits	(4,765)	11,125
Increase in Accounts Payable	11,728	1,865
Increase in Accrued Expenses	2,681	511
Increase in Agency Funds Held	845	-
Total Adjustments	91,787	(117,937)
<i>Net Cash Provided (Used) by Operating Activities</i>	121,794	476,010
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	-	(21,072)
Purchase of Investments	(219,296)	(81,583)
Proceeds from the Sale of Investments	196,303	49,193
<i>Net Cash provided (Used) by Investing Activities</i>	(22,993)	(53,462)
CASH FLOWS FROM FINANCING ACTIVITIES		
PPP Loan Forgiveness	-	(285,000)
 <i>NET INCREASE IN CASH</i>	 98,801	 137,548
CASH, BEGINNING OF YEAR	849,689	712,141
CASH, END OF YEAR	\$ 948,490	\$ 849,689

The accompanying notes are an integral part of these financial statements

NEWS
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2022

	Emergency Shelter	SAVS	Transitional Housing	Outreach & Education	KEDS	Safe Solutions	Legal Advocacy	NPD-LESU	Crisis Intervention	Volunteers	Family Justice Center	Total Program	Management and General	Fundraising	Total
Compensation and Related Expenses															
Salaries and Wages	\$ 365,451	\$ 283,363	\$ 241,840	\$ 145,310	\$ 95,098	\$ 93,815	\$ 113,694	\$ 78,144	\$ 285,653	\$ 47,585	\$ 41,563	\$ 1,505,862	\$ 176,506	\$ 116,440	\$ 1,798,808
Payroll Taxes	29,427	22,817	19,473	11,701	7,657	7,554	9,155	6,292	23,001	3,832	3,347	121,255	14,213	9,376	144,843
Employee Benefits	40,558	31,448	26,839	16,127	10,554	10,412	12,618	8,672	31,702	5,281	4,613	167,121	19,589	12,923	199,632
Total Compensation and Related Expenses	435,436	337,628	288,153	173,137	113,309	111,781	135,466	93,109	340,356	56,697	49,522	1,794,238	210,307	138,739	2,143,284
Other Expenses															
Bank Charges	-	-	-	-	-	-	-	-	-	-	-	-	3,021	3,692	6,712
Communication	5,413	3,844	3,445	1,858	1,391	1,316	1,667	940	3,924	814	423	21,112	1,314	917	23,343
Depreciation	13,478	1,710	1,532	826	619	585	741	418	1,745	362	188	20,459	584	408	21,451
Dues and Subscriptions	2,850	2,264	-	-	-	-	-	-	-	-	400	5,513	1,971	-	7,485
Grants to Beneficiaries	43,435	50,312	188,622	237	-	43,395	124	-	43,519	-	-	326,125	-	-	326,125
Insurance	8,747	6,782	5,788	3,478	2,276	2,245	2,721	1,870	6,837	1,139	995	36,042	4,225	2,787	43,054
Licenses and Permits	1,188	112	-	-	-	-	-	-	-	190	-	1,490	60	-	1,550
Occupancy	14,321	25,217	22,594	12,184	9,127	8,635	10,935	6,167	25,737	5,339	2,775	117,292	8,617	6,018	131,927
Office Supplies	5,268	3,741	3,352	1,808	1,354	1,281	1,622	915	3,819	792	412	20,546	1,279	893	22,718
Printing and Reproduction	3,406	2,419	2,168	1,169	876	828	1,049	592	2,469	512	266	13,285	827	577	14,689
Professional Fees	6,707	12,590	5,644	5,652	-	-	136	-	136	-	-	30,728	26,152	-	56,881
Repairs and Maintenance	7,261	9,085	8,140	4,390	3,288	3,111	3,940	2,222	9,273	1,923	1,000	44,361	3,105	2,168	49,633
Staff Development and Training	7,657	6,692	3,425	1,743	-	1,688	-	-	1,688	1,090	(2,210)	20,085	9,302	-	29,387
Supplies	14,331	29,297	21,054	14,758	16,306	-	107	-	107	115	113	96,081	18,063	22,253	136,397
Travel: mileage, meals, travel	2,072	1,471	1,318	711	532	504	638	360	1,502	311	162	8,079	503	351	8,933
Total Other Expenses	136,132	155,536	267,082	48,813	35,769	63,589	23,681	13,485	100,754	12,588	4,524	761,198	79,021	40,064	880,283
TOTAL FUNCTIONAL EXPENSES	\$ 571,568	\$ 493,164	\$ 555,234	\$ 221,950	\$ 149,078	\$ 175,370	\$ 159,147	\$ 106,594	\$ 441,111	\$ 69,285	\$ 54,046	\$ 2,555,436	\$ 289,328	\$ 178,802	\$ 3,023,567

The accompanying notes are an integral part of these financial statements

NEWS
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2021

	Emergency Shelter	SAVS	Transitional Housing	Outreach & Education	KEDS	Safe Solutions	Legal Advocacy	NPD-LESU	Crisis Intervention	Volunteers	Monarch Family Justice Center	Total Program	Management and General	Fundraising	Total
Compensation and Related Expenses															
Salaries and Wages	\$ 336,143	\$ 250,110	\$ 176,061	\$ 112,122	\$ 95,709	\$ 111,196	\$ 126,750	\$ 71,586	\$ 309,531	\$ 29,123	\$ 18,507	\$ 1,327,306	\$ 170,608	\$ 130,235	\$ 1,628,149
Payroll Taxes	27,470	20,439	14,388	9,163	7,822	9,087	10,358	5,850	25,295	2,380	1,512	108,470	13,942	10,643	133,055
Employee Benefits	38,627	28,741	20,231	12,884	10,998	12,778	14,565	8,226	35,569	3,347	2,127	152,523	19,605	14,966	187,093
Total Compensation and Related Expenses	402,239	299,290	210,681	134,169	114,529	133,060	151,673	85,662	370,395	34,849	22,146	1,588,298	204,155	155,844	1,948,297
Other Expenses															
Bank Charges	-	-	-	-	-	-	-	-	-	-	-	-	1,319	1,612	2,932
Communication	6,744	4,690	3,260	1,838	1,953	2,011	2,442	1,236	5,689	1,084	179	25,436	1,840	1,410	28,686
Depreciation	8,417	3,320	2,307	1,301	1,382	1,423	1,729	875	4,026	767	127	21,647	1,302	998	23,947
Dues and Subscriptions	1,750	1,725	-	527	-	-	-	-	-	-	500	4,501	1,034	-	5,535
Grants to Beneficiaries	31,348	2,365	333,221	-	4,149	48,519	-	-	48,519	-	1,000	420,601	-	-	420,601
Insurance	3,676	2,735	1,926	1,226	1,047	1,216	1,386	783	3,385	319	202	14,516	1,866	1,424	17,807
Licenses and Permits	2,262	31	-	-	-	-	-	-	-	-	-	2,293	26	-	2,319
Occupancy	14,321	23,310	16,200	9,135	9,704	9,994	12,137	6,141	28,272	5,386	888	107,215	9,144	7,007	123,367
Office Supplies	6,367	4,429	3,078	1,736	1,844	1,899	2,306	1,167	5,371	1,023	169	24,016	1,737	1,331	27,085
Printing and Reproduction	2,275	1,582	1,100	620	659	678	824	417	1,919	366	60	8,581	621	476	9,678
Professional Fees	15,920	3,213	398	398	398	250	17	-	267	-	2,616	23,210	18,611	-	41,820
Repairs and Maintenance	6,612	5,396	14,856	3,681	1,319	-	1,269	-	1,269	-	-	33,133	20,989	-	54,123
Staff Development and Training	540	1,932	200	552	330	-	-	-	-	1,920	-	5,474	7,836	-	13,310
Supplies	10,543	11,411	10,979	3,809	5,799	4,491	-	-	4,491	-	60	47,092	7,339	17,209	71,640
Travel: mileage, meals, travel	136	94	66	37	39	41	49	25	115	22	4	512	37	28	578
Total Other Expenses	110,910	66,234	387,589	24,860	28,621	70,521	22,159	10,642	103,323	10,886	5,805	738,229	73,703	31,497	843,428
TOTAL FUNCTIONAL EXPENSES	\$ 513,150	\$ 365,524	\$ 598,270	\$ 159,029	\$ 143,150	\$ 203,581	\$ 173,832	\$ 96,304	\$ 473,718	\$ 45,735	\$ 27,951	\$ 2,326,527	\$ 277,857	\$ 187,341	\$ 2,791,725

The accompanying notes are an integral part of these financial statements

NEWS
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

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. 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, 2022 and 2021

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 restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

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.

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, 2022 up through February 21, 2023, 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, 2022 and 2021

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 following methods and assumptions were used by the Organization in estimating the fair value of its financial instruments. All methods below use Level 1 inputs unless otherwise noted:

Investments - Investments are carried at market value. Fair values are based on quoted market prices.

The following table presents the Organization's financial assets measured at fair value on a recurring basis:

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
June 30, 2022				
Assets:				
Investments	\$ 906,697	\$ -	\$ -	\$ 906,697
June 30, 2021				
Assets:				
Investments	\$ 1,043,122	\$ -	\$ -	\$ 1,043,122

NEWS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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.

Housing Program:

Domestic Violence can lead to homelessness or unstable housing. The NEWS housing program is based on the "Housing First" model, meaning that assistance with housing location begins as soon as possible once someone has become homeless. Services include assistance with housing location, help with locating and applying for financial resources, landlord engagement, mobile advocacy, moving and providing for home furnishings. The program also offers direct funding for rental assistance, and ongoing case management/supportive services. 100% of NEWS shelter clients found permanent housing and did not return to their abusers last year.

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.

Monarch Family Justice Center

One significant area of work in this past year was NEWS collaborative work with a number of local agencies to establish a "Family Justice Center" model for Napa County. Current partners include the Napa County District Attorney's Office and the Victim/Witness Program, City of Napa Police Department, and Aldea, the Children's Advocacy Center. At this time, NEWS and MJC partners are currently self-funding a small number of service staff who are co-located in the Aldea building that facilitates collaboration and streamlines service delivery to clients in need. NEWS and its partners are committed to pursuing sustainable funding to support the operations and administration of the MJC in order to expand the number of partner organizations and locations available to community members.

Outreach, Education and Prevention:

NEWS is dedicated to the prevention of sexual abuse and domestic violence through education and awareness. Prevention services include:

- Youth Matter Program provides "Healthy Relationships" workshops in high schools and middle schools throughout the Valley along with individualized "Healthy Relationships Coaching" with walk-in office hours at several high schools and middle schools.
- Kids Exposed to Domestic Violence (KEDS) is an important part of our Outreach and Educational activities. The KEDS program assists families with 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 effects 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 weekly support groups where a curriculum is offered to help build safety and self-esteem while doing fun and creative activities.
- Volunteer Programming NEWS trains a cadre of volunteers to serve as 24-hour first responders to a domestic violence case at the site of the incident and a sexual assault case at the hospital. NEWS conducts an annual 65 hour training for new staff and volunteers, as well as monthly "in-service" workshops that highlight community resources, issue areas, and best practices for the volunteers to keep in mind during their work with NEWS.

NEWS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 5 - PROGRAMS AND ACTIVITIES (Continued)

Crisis Intervention:

Crisis Intervention Services combines key programs to help survivors navigate the valuable services available to them during the crisis phase of victimization. It is the gateway program for NEWS' wrap around services. The focus of this program is to provide safety, meet immediate needs, and to provide crisis intervention and legal advocacy. The Crisis Intervention component of NEWS includes strong collaboration with law enforcement through our co-location at MJC, and includes trauma informed work with survivors who have co-occurring domestic violence, drug and/or alcohol dependency issues.

The program was designed using trauma informed practices and uses intensive case management to help survivors 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.

- 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 works together with clients to find resources pertaining to child custody, visitation, and their civil issues related to abuse.
- Napa Police Department – Liaison The Napa Police Department Liaison Program funds a full time NEWS Domestic Violence (DV) Advocate that is located on site at the MJC. The DV Advocate works in collaboration with the dedicated police officer to ensure a coordinated response to DV incidents. NEWS Staff and our partners review all incident reports and provide follow up in-person where ever 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 DV survivors and their children.

Impact of COVID 19

Shelter in Place restrictions needed to contain the coronavirus increased the risks associated with domestic violence (DV) and sexual assault (SA). Historic levels of unemployment, increased anxiety and isolation at home set the stage for an "invisible pandemic" of DV – what experts called a "ticking time bomb." Financial instability, confinement with abusers and virus-related fears made it harder than ever for victims to ask for help. In the early months of the pandemic NEWS experienced a 460% increase in the number of DV/SA survivors requesting housing assistance; over the course of the year, we continued to experience upwards of a 200% increase in housing assistance requests. By summer of 2020, there was a 100% increase in DV reports to the Napa Police department.

To respond to the crisis, NEWS worked tirelessly to distribute food assistance gift cards, provide victims with untraceable phones to contact police, and to partner with 17 more landlords to house victims. As of the spring of 2021, when the vaccine became available, NEWS is shifting its focus to bring back office staff and adapt procedures to welcome clients back into the office and perform mobile advocacy

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's cash and equivalents are held at a financial institution. The Federal Deposit Insurance Corporation insures accounts at each institution up to \$250,000. At June 30, 2022, the Organization's cash and equivalents exceeded insured amounts by \$698,490. The Organization received approximately 51% of its total support from three funding agencies in 2022 and approximately 45% of its total support from these funding agencies in 2021.

NEWS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 7 - PROPERTY AND EQUIPMENT

	2022	2021
Land	\$ 50,336	\$ 50,336
Emergency Shelter	572,878	572,878
Furniture and Equipment	93,377	93,377
Vehicles	5,000	5,000
Total Property and Equipment	721,591	721,591
Less Accumulated Depreciation	(325,905)	(304,454)
Net Property and Equipment	\$ 395,686	\$ 417,137
Depreciation Expense	\$ 21,451	\$ 23,947

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.

NOTE 8 - INVESTMENTS

Long-term investments are reported at fair market value, as determined by quoted market prices.

	June 30, 2022		
	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Appreciation</u>
Equity Securities	\$ 865,787	\$ 906,697	\$ 40,910
	June 30, 2021		
	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Appreciation</u>
Equity Securities	\$ 841,411	\$ 1,043,122	\$ 201,711

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.

NOTE 10 - BOARD DESIGNATED 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. Net 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 net assets without donor restrictions 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 to be without donor restrictions, as the designation is self-imposed. The amount of this board designated fund totaled \$1,810,000 at June 30, 2022 and \$1,630,000 June 30, 2021. The balance of the Organization's net assets without donor restrictions are not designated for any specific purpose.

NEWS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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 \$13,765 in 2022 and \$14,307 in 2021 and no matching contributions in either year.

NOTE 12 - OFFICE LEASE

The Organization leases office space under an operating agreement that expires in June 2022. 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 \$48,720 in 2022 and \$47,821 in 2021. The lease continues on a month-to-month basis.

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.

	2022	2021
Headquarters Rent	\$ 61,392	\$ 57,840

NOTE 14 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are primarily invested in mutual funds.

The following table reflects the Organization's financial assets as of June 30, 2022 and 2021. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions. There were no net assets with donor restrictions at June 30, 2022 and 2021.

	2022	2021
Cash and Equivalents	\$ 948,490	\$ 849,689
Receivables	410,813	309,860
Investments	906,697	1,043,122
	2,266,000	2,202,671
Less those unavailable for general expenditures within one year, due to:		
Donor restrictions	-	-
Financial assets available to meet cash needs for general expenditure within one year	\$ 2,266,000	\$ 2,202,671

NEWS
Notes to Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2022

Federal/Pass Through Agency	CFDA Number	Pass Through Entity/Grant Identifying Number	Total Federal Expenditures
Department of Justice (DOJ)			
Victims of Crime Act 2018 - Cal OES XD	16.575	055-90500/ 2018-V2-GX-0029 2019-V2-GX-0053 2020-V2-GX-0031	\$ 30,886 131,901 <u>72,806</u>
Subtotal			<u>235,593</u>
Victims of Crime Act 2017 - Cal OES DV	16.575	2019-V2-GX-0053 2020-V2-GX-0031	105,265 <u>23,878</u>
Subtotal			<u>129,143</u>
Victims of Crime Act 2018 - Cal OES RC	16.575	2020-V2-GX-0031	154,100
Victims of Crime Act 2018 - CPEDV	16.575	055-90500/	<u>25,000</u>
Subtotal 16.575			<u>543,836</u>
Victims of Crime Act 2018 - Cal OES RC	93.497	2201CAFSC6	<u>91,848</u>
Subtotal 93.497			91,848
Victims of Crime Act 2018 - Cal OES XD	93.671	2101CAFVC6	65,000
Victims of Crime Act 2017 - Cal OES DV	93.671	2101CAFVPS	123,478
Victims of Crime Act 2017 - Cal OES DV	93.671	2101CAFVC6	65,000
Federal Trust - Cal OES FD	93.671	2101CAFVPS	<u>76,572</u>
Subtotal 93.671			<u>330,050</u>
Office on Violence Against Women - OVW	16.590	15JOVW-21 2021-GG-02007-JCJR	37,325
Violence Against Women Act - Cal OES Formula Grant	16.588	NPD-LE17 01 7400	<u>97,583</u>
DOJ Subtotal			<u>1,100,642</u>
Department of Housing and Urban Development (HUD)			
HUD - Community Development Block grants/CARES CDBG (#C2020 136)	14.218	B-20-MW-06-0028	5,000
HUD - Community Development Block grants/CARES CDBG (#C2021 133)	14.218	B-20-MW-06-0028	25,000
HUD - Community Development Block grants/CARES CDBG (#C2021 177)	14.218	B-20-MW-06-0028	36,390
HUD - Community Development Block grants – Entitlement Grants (#C2021 416)	14.218	B-21-MC-06-0028	<u>30,000</u>
HUD Subtotal			<u>96,390</u>
Department of Homeland Security (DHS)			
Emergency Food and Shelter National Board Program			
FEMA/UWBA Mass shelter and rental assist Ph38	97.024	38-078000-007	<u>5,000</u>
DHS Subtotal			<u>5,000</u>
			<u>\$ 1,202,032</u>

NEWS
Notes to Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2022

NOTE A — Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of NEWS 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 (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B — Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-122, Cost Principles for Non-profit Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursements.

NOTE C — 10% De Minimis

The Organization did elect to use the 10% De Minimis rate.



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
NEWS
Napa, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of NEWS (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 21, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered NEWS'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of NEWS's internal control. Accordingly, we do not express an opinion on the effectiveness of NEWS's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether NEWS's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control

or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Coughlan Napa CPA Company, Inc.

Coughlan Napa CPA Company, Inc.

February 21, 2023



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

Board of Directors
NEWS
Napa, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited NEWS's 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 NEWS's major federal programs for the year ended June 30, 2022. NEWS's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, NEWS complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of NEWS 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 NEWS'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 NEWS's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on NEWS's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable

user of the report on compliance about NEWS'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 NEWS'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 NEWS'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 NEWS'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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Coughlan Napa CPA Company, Inc.

Coughlan Napa CPA Company, Inc.

February 21, 2023

NEWS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

SUMMARY OF AUDIT RESULTS

1. The auditor's report on the financial statements of NEWS is unqualified.
2. No material weakness relating to the audit of the financial statements of NEWS were disclosed during the audit.
3. No significant deficiencies relating to the audit of the financial statements of NEWS were disclosed during the audit.
4. No instances of noncompliance material to the financial statements of NEWS were disclosed during the audit.
5. No material weakness relating to the audit of the major federal award programs were disclosed during the audit.
6. No significant deficiencies relating to the audit of the major federal award programs were disclosed during the audit.
7. The auditor's report on compliance for the major federal award program for NEWS expresses an unqualified opinion on the major federal program.
8. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.
9. The program tested as a major program was 16.575 - CFDA Number, Department of Justice. pass through from Cal OES.
10. The threshold for distinguishing Types A and B Programs was \$750,000.
11. NEWS did qualify as a low-risk auditee.

FINDINGS-FINANCIAL STATEMENT AUDIT

None

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None