

# NEWS

**Financial Statements with Report of Independent Auditors  
For the years ended June 30, 2024 and 2023**

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## Report of Independent Auditors

To the Board of Directors of  
NEWS:

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying statements of NEWS (a California non-profit public benefit corporation), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the 2024 financial statements referred to above present fairly, in all material respects, the financial position of NEWS as of June 30, 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 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 opinion.

#### **Prior Period Financial Statements**

The financial statements of NEWS as of June 30, 2023 were audited by other auditors whose report dated November 1, 2023 expressed an unmodified opinion on these statements.

#### **Change in Accounting Principle**

As discussed in Note 2 to the financial statements, NEWS adopted accounting standards changes related to accounting for and disclosing measurement of credit losses on financial instruments. Our opinion is not modified with respect to this matter.

#### **Responsibilities of Management 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, 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 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 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.

## **Other 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* (CFR) 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 federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

The schedule of the status of prior audit findings and questioned costs has not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated March 13, 2025, 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.

*Novogradac & Company LLP*

Petaluma, California  
March 13, 2025

**NEWS**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 971,611	\$ 1,085,340
Accounts receivable	37,984	51,629
Grants receivable	362,193	391,683
Prepaid expenses	<u>13,368</u>	<u>10,125</u>
Total current assets	1,385,156	1,538,777
Property and equipment, net	368,071	374,920
Other assets		
Investments	1,399,924	1,222,201
Right-of-use asset - leases	<u>52,128</u>	<u>102,761</u>
Total other assets	<u>1,452,052</u>	<u>1,324,962</u>
Total assets	<u><u>\$ 3,205,279</u></u>	<u><u>\$ 3,238,659</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 54,321	\$ 62,924
Accrued expenses	82,149	74,649
Other current liabilities	318	8,280
Leases payable, current portion	<u>53,302</u>	<u>51,806</u>
Total current liabilities	190,090	197,659
Notes payable	114,014	114,014
Leases payable, less current portion	<u>-</u>	<u>53,302</u>
Total liabilities	304,104	364,975
<b>NET ASSETS</b>		
Without donor restrictions - board designated	1,980,000	2,030,000
Without donor restrictions - others	867,508	625,537
With donor restrictions	<u>53,667</u>	<u>218,147</u>
Total net assets	<u>2,901,175</u>	<u>2,873,684</u>
Total liabilities and net assets	<u><u>\$ 3,205,279</u></u>	<u><u>\$ 3,238,659</u></u>

see accompanying notes

**NEWS**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
CHANGES IN NET ASSETS WITHOUT DONOR		
RESTRICTIONS		
REVENUE AND SUPPORT		
Grants	\$ 2,985,365	\$ 2,822,985
Contributions	498,644	627,491
Donated materials, facilities and services	<u>67,022</u>	<u>53,880</u>
Total revenue and support before investment gain without donor restrictions	3,551,031	3,504,356
Net investment gain	144,708	61,529
Net assets released from restrictions: Satisfaction of program restrictions	<u>239,480</u>	<u>41,853</u>
Total revenue and support investment gain without donor restrictions	<u>3,935,219</u>	<u>3,607,738</u>
EXPENSES		
Programs		
Emergency shelter	634,176	579,499
Sexual assault victims services (SAVS)	435,877	474,489
Transitional housing	661,427	632,402
Outreach and education	320,067	284,802
Kids exposed to domestic violence (KEDS)	187,298	113,945
Crisis intervention	558,376	525,443
Volunteers	41,187	38,765
Monarch Family Justice Center	<u>296,552</u>	<u>233,602</u>
Total program expenses	<u>3,134,960</u>	<u>2,882,947</u>
Support services		
Management and general	364,523	328,671
Fundraising	<u>243,765</u>	<u>185,379</u>
Total support services expenses	<u>608,288</u>	<u>514,050</u>
Total expenses	<u>3,743,248</u>	<u>3,396,997</u>
Increase in net assets without donor restrictions	191,971	210,741
CHANGE IN NET ASSETS WITH DONOR		
RESTRICTIONS		
Grants	75,000	260,000
Net assets released from restrictions	<u>(239,480)</u>	<u>(41,853)</u>
(Decrease) increase in net assets with donor restrictions	<u>(164,480)</u>	<u>218,147</u>
CHANGE IN NET ASSETS	27,491	428,888
NET ASSETS AT BEGINNING OF YEAR	<u>2,873,684</u>	<u>2,444,796</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 2,901,175</u></u>	<u><u>\$ 2,873,684</u></u>

see accompanying notes

**NEWS**  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services								Supporting Services			Total
	Emergency Shelter	SAVS	Transitional Housing	Outreach & Education	KEDS	Crisis Intervention	Volunteers	Monarch Family Justice Center	Program Services Total	Management & General	Fundraising	
COMPENSATION AND RELATED EXPENSES												
Salaries and wages	\$ 425,641	\$ 290,734	\$ 284,430	\$ 206,230	\$ 115,455	\$ 367,626	\$ 26,319	\$ 159,973	\$ 1,876,408	\$ 245,108	154,025	\$ 2,275,541
Payroll taxes	33,962	23,197	22,694	16,455	9,212	29,333	2,100	12,764	149,717	19,557	12,289	181,563
Employee benefits	57,251	39,106	38,258	27,739	15,529	49,448	3,541	21,517	252,389	32,969	20,717	306,075
Total compensation and related expenses	516,854	353,037	345,382	250,424	140,196	446,407	31,960	194,254	2,278,514	297,634	187,031	2,763,179
OTHER EXPENSES												
Bank charges	-	-	-	-	-	-	-	-	-	1,469	1,796	3,265
Communication	7,319	4,393	4,766	3,632	2,120	7,127	614	3,485	33,456	2,422	1,702	37,580
Depreciation	13,478	915	993	756	442	1,484	128	726	18,922	504	355	19,781
Dues & subscriptions	1,500	975	-	298	-	-	-	-	2,773	1,607	-	4,380
Grants to beneficiaries	25,106	15,998	241,405	6,667	6,659	7,793	-	-	303,628	-	-	303,628
Insurance	11,641	7,952	7,779	5,640	3,158	10,054	720	4,375	51,319	6,704	4,213	62,236
Licenses and permits	1,206	-	-	-	-	-	60	-	1,266	110	-	1,376
Occupancy	17,818	21,152	22,945	17,485	10,208	34,311	2,958	72,681	199,558	11,659	8,192	219,409
Office supplies	4,533	2,721	2,952	2,249	1,313	4,414	382	2,158	20,722	1,500	1,054	23,276
Printing & reproduction	3,701	2,222	2,410	1,836	1,072	3,604	310	1,762	16,917	1,225	860	19,002
Professional fees	1,920	6,371	4,343	5,164	11,226	204	-	127	29,355	11,167	-	40,522
Repairs & maintenance	10,984	5,673	6,154	4,689	2,738	9,202	792	4,499	44,731	3,127	2,197	50,055
Staff development and training	(20)	2,605	3,732	1,984	1,460	1,016	2,944	2,220	15,941	9,077	6,666	31,684
Supplies	14,339	9,584	16,093	17,359	5,606	29,062	-	8,457	100,500	15,061	28,816	144,377
Travel: mileage, meals, travel	3,797	2,279	2,473	1,884	1,100	3,698	319	1,808	17,358	1,257	883	19,498
Total other expenses	117,322	82,840	316,045	69,643	47,102	111,969	9,227	102,298	856,446	66,889	56,734	980,069
TOTAL FUNCTIONAL EXPENSES	\$ 634,176	\$ 435,877	\$ 661,427	\$ 320,067	\$ 187,298	\$ 558,376	\$ 41,187	\$ 296,552	\$ 3,134,960	\$ 364,523	\$ 243,765	\$ 3,743,248



**NEWS**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Program Services								Support Services			
	Emergency Shelter	SAVS	Transitional Housing	Outreach & Education	KEDS	Crisis Intervention	Volunteers	Monarch Family Justice Center	Program Services Total	Management & General	Fundraising	Total
COMPENSATION AND RELATED EXPENSES												
Salaries and wages	\$ 374,749	\$ 294,243	\$ 231,933	\$ 184,744	\$ 74,388	\$ 353,858	\$ 26,126	\$ 163,210	\$ 1,703,251	\$ 208,130	\$ 122,931	\$ 2,034,312
Payroll taxes	30,396	23,866	18,812	14,985	6,034	28,702	2,119	13,238	138,152	16,882	9,971	165,005
Employee benefits	48,254	37,888	29,865	23,788	9,579	45,564	3,363	21,016	219,317	26,800	15,829	261,946
Total compensation and related expenses	453,399	355,997	280,610	223,517	90,001	428,124	31,608	197,464	2,060,720	251,812	148,731	2,461,263
OTHER EXPENSES												
Bank charges	-	-	-	-	-	-	-	-	-	3,015	3,686	6,701
Communication	5,518	4,327	3,632	3,246	1,460	5,829	456	2,666	27,134	1,573	1,112	29,819
Depreciation	13,478	1,298	1,088	973	438	1,749	137	800	19,961	472	333	20,766
Dues & subscriptions	3,000	975	-	558	-	-	-	-	4,533	1,734	-	6,267
Grants to beneficiaries	25,679	37,524	275,612	-	-	21,779	-	-	360,594	-	-	360,594
Insurance	10,425	8,185	6,452	5,139	2,069	9,843	727	4,540	47,380	5,790	3,420	56,590
Licenses and permits	1,495	-	-	-	-	-	-	-	1,495	205	-	1,700
Occupancy	19,479	21,077	17,688	15,810	7,113	28,390	2,219	12,987	124,763	7,663	5,415	137,841
Office supplies	4,729	3,709	3,112	2,782	1,252	4,995	391	2,284	23,254	1,348	953	25,555
Printing & reproduction	3,509	2,752	2,310	2,064	929	3,707	290	1,696	17,257	1,001	707	18,965
Professional fees	1,407	6,877	3,790	4,725	-	161	-	-	16,960	26,864	-	43,824
Repairs & maintenance	10,984	9,897	8,306	7,424	3,340	13,332	1,042	6,099	60,424	3,599	2,543	66,566
Staff development and training	5,512	3,119	966	3,283	615	765	1,584	2,785	18,629	14,841	-	33,470
Supplies	18,027	16,511	26,955	13,600	5,972	3,750	75	900	85,790	7,939	17,903	111,632
Travel	2,858	2,241	1,881	1,681	756	3,019	236	1,381	14,053	815	576	15,444
Total other expenses	126,100	118,492	351,792	61,285	23,944	97,319	7,157	36,138	822,227	76,859	36,648	935,734
Total expenditures	\$ 579,499	\$ 474,489	\$ 632,402	\$ 284,802	\$ 113,945	\$ 525,443	\$ 38,765	\$ 233,602	\$ 2,882,947	\$ 328,671	\$ 185,379	\$ 3,396,997

see accompanying notes

**NEWS**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 27,491	\$ 428,888
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Unrealized gains on investments	(94,744)	(75,793)
Depreciation	19,781	20,766
(Increase) decrease in assets:		
Accounts receivable	13,645	-
Grants receivable	29,490	(32,498)
Prepaid expenses	(3,243)	2,886
Right-of-use asset - leases	50,633	52,827
Increase (decrease) in liabilities:		
Accounts payable	(8,603)	19,585
Accrued expenses	7,500	4,048
Other current liabilities	(7,962)	6,333
Lease payable	(51,806)	(50,480)
Net cash (used in) provided by operating activities	(17,818)	376,562
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net purchase of investments	(95,911)	(239,712)
Net cash used in investing activities	(95,911)	(239,712)
Net change in cash and cash equivalents	(113,729)	136,850
Cash and cash equivalents at beginning of year	1,085,340	948,490
Cash and cash equivalents at end of year	<u>\$ 971,611</u>	<u>\$ 1,085,340</u>
Supplemental disclosure of noncash investing and financing transactions:		
Operating lease right-of-use asset and lease liability	<u>\$ -</u>	<u>\$ 151,969</u>

see accompanying notes

**NEWS**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

1. Organization

NEWS is a nonprofit corporation, organized under the laws of the State of California. It is headquartered in Napa, California. NEWS believes that people affected by domestic violence (DV) and sexual abuse (SA) deserve safety, hope, healing and support to rebuild the future for themselves and their families. NEWS 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, sexual assault victim's services, individual and group counseling services, Kids Exposed to Domestic Violence program (KEDS), court advocacy, a domestic violence response team, transitional housing, and prevention outreach and education. NEWS is staffed by a diverse work force that represents our community. The diversity, equity, and inclusion of staff, volunteers and board members are important to our credibility and effectiveness when serving our survivors. NEWS is supported primarily through grants from governmental agencies, private foundations and by contributions from the general public.

2. Summary of significant accounting policies

Basis of accounting

NEWS prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America ("U.S. GAAP"). NEWS's year end for tax and financial reporting purposes is June 30.

Basis of presentation

NEWS is required to report information regarding its financial position and activities according to the following net asset classifications:

***Net assets without donor restrictions:*** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of NEWS. These net assets may be used at the discretion of NEWS's management and the board of directors.

***Net assets with donor restrictions:*** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature, which will be met by actions of NEWS or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents

NEWS considers all highly liquid financial instruments with original maturities of three months or less to be cash equivalents, except when 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 certificate 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 donor.

**NEWS**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

2. Summary of significant accounting policies (continued)

Concentration of credit risk

NEWS maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. NEWS has not experienced any losses in such accounts. NEWS believes it is not exposed to any significant credit risk on cash and cash equivalents.

NEWS received approximately 55% of its total support from three funding agencies in 2024 and approximately 51% of its total support from these funding agencies in 2023.

Governmental reporting procedures

NEWS 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 NEWS 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.

Accounts and grants receivables

Grants and accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. NEWS 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 collection, and current economic conditions. It is NEWS'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 as of both June 30, 2024 and 2023.

Investments

Investments, which include equity securities, government securities, certificates of deposits and other investments, are carried at fair market value. Realized gains or losses on the sale of marketable securities are calculated using the average cost method. Unrealized gains and losses represent the change in the fair market value of the individual investments for the year or since the acquisition date if acquired during the year.

Fair value measurements

NEWS applies the accounting provisions related to fair value measurements. These provisions define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establish a hierarchy that prioritizes the information used in developing fair value estimates and require disclosure of fair value measurements by level within the fair value hierarchy. The hierarchy gives the highest priority to quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable data (Level 3 measurements), such as the reporting entity's own data. These provisions also provide valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flows) and the cost approach (cost to replace the service capacity of an asset or replacement cost).

**NEWS**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

2. Summary of significant accounting policies (continued)

Fair value measurements (continued)

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of valuation hierarchy are defined as follows:

*Level 1:* Observable inputs such as quoted prices (unadjusted) for identical assets or liabilities in active markets.

*Level 2:* Inputs other than quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

*Level 3:* Unobservable inputs that reflect NEWS's own assumptions.

The following tables present assets that are measured and recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of June 30, 2024 and 2023:

		<u>June 30, 2024</u>			<u>Fair Value Measurements</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Investments					
Cash and cash equivalents	\$	18,406	\$ -	\$ -	\$ 18,406
Certificate of deposits		-	317,476	-	317,476
Equities		898,146	-	-	898,146
Fixed income		165,896	-	-	165,896
Total investments	\$	<u>1,082,448</u>	\$ <u>317,476</u>	\$ <u>-</u>	\$ <u>1,399,924</u>
		<u>June 30, 2023</u>			<u>Fair Value Measurements</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Investments					
Cash and cash equivalents	\$	73,885	\$ -	\$ -	\$ 73,885
Certificate of deposits		-	255,432	-	255,432
Equities		725,895	-	-	725,895
Fixed income		166,989	-	-	166,989
Total investments	\$	<u>966,769</u>	\$ <u>255,432</u>	\$ <u>-</u>	\$ <u>1,222,201</u>

Property and equipment

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

**NEWS**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

2. Summary of significant accounting policies (continued)

Impairment of long-lived assets

NEWS reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value as determined from an appraisal, discounted cash flow analysis, or other valuation technique. There were no impairment losses for each of the years ended June 30, 2024 and 2023.

Income taxes

NEWS is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and from California income taxes under Revenue and Taxation Code Section 23701(d). NEWS also 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).

The preparation of financial statements in accordance with U.S. GAAP requires NEWS to report information regarding its exposure to various tax positions taken by NEWS. NEWS has determined whether any tax positions have met the recognition threshold and has measured NEWS's exposure to those tax positions. Management believes that NEWS has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal tax authorities generally have the right to examine and audit the previous three years of tax returns filed. California tax authorities generally have the right to examine and audit the previous four years of tax returns filed. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

Economic concentrations

NEWS operates in a heavily regulated environment. The operations of NEWS are subject to the administrative directives, rules, and regulations of federal, state, and local regulatory agencies, including but not limited to, the California Governor's Office of Emergency Services (Cal OES) and the United States Department of Justice (DOJ). Such administrative directives, rules, and regulations are subject to change by an act of the legislature, or an administrative change mandated by Cal OES or DOJ. 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.

Contributions

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

Donated materials, facilities and services

NEWS recognizes donations of materials, facilities and services requiring specialized skills at their fair market value as both revenue and corresponding expenses allocated to the related program or activity. The value of volunteers' contributed time is not recorded in the financial statements as it does not meet the criteria for recognition under U.S. GAAP.

**NEWS**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

2. Summary of significant accounting policies (continued)

Revenue recognition

NEWS receives grants and contract funding from various government agencies. Revenue from such grants is recognized once all conditions are met in accordance with the grants agreements. Revenue resulting from special events, fees charged by NEWS, and other income is recognized when performance obligations are met.

Grant expense

Grants are recognized when all significant conditions are met, all due diligence has been completed and they are approved by staff or board committee. Grant refunds are recorded as a reduction of grant expense at the time NEWS receives or is notified of the refund.

Functional allocation of expenses

NEWS's costs of providing program services and other activities have been summarized on a functional basis in the statements of activities. Direct costs associated with specific programs are recorded as program expenses. Personnel costs are charged to programs based upon the estimated level of staff development. Management and general expenses include those expenses that are not directly identifiable with any specific program but provide for the overall support and direction of NEWS.

Leases

NEWS determines if an arrangement is a lease at inception. An arrangement is a lease if the arrangement conveys a right to direct the use of and to obtain substantially all of the economic benefits from the use of an asset for a period of time in exchange for consideration.

Operating lease right-of use assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease terms. NEWS uses a risk-free rate at the commencement date in determining the present value of lease payments.

The operating lease right-of-use asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the leases when it is reasonably certain that NEWS will exercise that option. The lease agreements do not contain any material residual value guarantees or material restrictive covenants. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The lease agreements include monthly rental payments. Lease liabilities are not remeasured throughout the life of the leases since all predetermined changes in the monthly rent payments have already been considered in the lease liability calculation.

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation.

Subsequent events

Subsequent events have been evaluated through March 13, 2025, which is the date the financial statements were available to be issued, and there are no subsequent events requiring disclosure.

NEWS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

2. Summary of significant accounting policies (continued)

Change in accounting principle

In June 2016, the Financial Accounting Standards Board (“FASB”) issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* to provide financial statement users with improved information about expected credit losses on financial assets, as well as improve users’ ability to understand the realizability of assets held at each reporting period.

NEWS adopted ASC 326 effective July 1, 2023, and any necessary adjustment was recognized through a cumulative effect adjustment to retained earnings as of the effective date. Credit loss disclosures for the year ended June 30, 2023 are made under the prior guidance provided by FASB ASC 310.

With respect to measuring expected credit losses for NEWS’s receivables, ASU 2016-13 did not have a material impact on the financial statements.

3. Liquidity and availability of financial assets

The following represents NEWS’s financial assets at June 30, 2024 and 2023:

Financial assets at year end:	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 971,611	\$ 1,085,340
Certificate of deposits	317,476	255,432
Accounts receivable	37,984	51,629
Investments	1,082,448	966,769
Grants receivable	<u>362,193</u>	<u>391,683</u>
Total financial assets	2,771,712	2,750,853
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>(53,667)</u>	<u>(218,147)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,718,045</u>	<u>\$ 2,532,706</u>

NEWS’s goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit.



**NEWS**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**4. Property and equipment and depreciation**

As of June 30, 2024 and 2023, NEWS's property and equipment consists of the following:

	<u>2024</u>	<u>2023</u>
Land	\$ 50,336	\$ 50,336
Emergency shelter	585,810	572,878
Vehicles	-	5,000
Furniture and equipment	<u>93,377</u>	<u>93,377</u>
Total property and equipment	729,523	721,591
Accumulated depreciation	<u>(361,452)</u>	<u>(346,671)</u>
Net property and equipment	<u>\$ 368,071</u>	<u>\$ 374,920</u>

NEWS's emergency shelter was acquired partly with funds provided by the City of NAPA under an agreement that contained restrictions.

For the years ended June 30, 2024 and 2023, depreciation expense was \$19,781 and \$20,766, respectively.

**5. Investments**

Investments are stated at market value and consist of the following as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2024</u>
	<u>Cost</u>	<u>Market Value</u>
Cash and cash equivalents	\$ 18,406	\$ 18,406
Certificates of deposit	317,476	317,476
Equities	696,809	898,146
Fixed income	<u>166,535</u>	<u>165,896</u>
Total securities	<u>\$ 1,199,226</u>	<u>\$ 1,399,924</u>

  

	<u>2023</u>	<u>2023</u>
	<u>Cost</u>	<u>Market Value</u>
Cash and cash equivalents	\$ 73,885	\$ 73,885
Certificates of deposit	255,432	255,432
Equities	605,460	725,895
Fixed income	<u>170,722</u>	<u>166,989</u>
Total securities	<u>\$ 1,105,499</u>	<u>\$ 1,222,201</u>

**6. Note payable**

On March 1992, NEWS entered into a note payable agreement (the "Note") with the City of Napa in the principal amount of \$114,014. The Note is secured by a deed of trust on NEWS's emergency shelter. The Note does not bear interest and is payable upon the sale of the shelter or if the shelter ceases to operate as a public facility providing transitional housing for battered women and their children. If the shelter is sold, NEWS will be liable for the full principal balance of the Note plus 45% of the sale price in excess of \$252,100.

As of both June 30, 2024 and 2023, the principal balance was \$114,014.

**NEWS**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

7. Board designated net assets

NEWS's board of directors (the "Board") has established a policy by which it evaluates the amount of NEWS'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 is delayed, fundraising efforts are less than expected or a program temporarily loses funding. Since several of NEWS's primary programs are heavily dependent upon grants from governmental agencies, the Board has decided that NEWS's net assets without donor restrictions should be sufficient to provide six months of operating expenses and 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. As of June 30, 2024 and 2023, the Board designated fund totaled to \$1,980,000 and \$2,030,000, respectively. The balance of net assets without donor restrictions, apart from this designation, is not allocated to any specific purposes.

8. Net assets with donor restrictions

Net assets with donor restrictions are comprised of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Grants	\$ <u>53,667</u>	\$ <u>218,147</u>

9. Donated materials, facilities and services

NEWS receives donated materials, facilities and services from its landlord, vendors and professionals. The value of services provided by individual volunteers is not included. Donated facilities include the rental of NEWS's headquarters building, which is as follows:

	<u>2024</u>	<u>2023</u>
Headquarters rent	\$ <u>67,022</u>	\$ <u>53,880</u>

10. Leases

NEWS entered into a sublease agreement (the "Sublease") with OLE Health for the use of approximately 2,960 rentable square feet within the building located at 1141 Pear Tree Lane, Napa California. The Sublease commenced on July 1, 2020 and is set to expire on June 30, 2025. The Sublease provides NEWS with exclusive use of the space for its operations. The Sublease requires NEWS to pay 12% of the operating expenses for the property which includes utilities, maintenance and other shared costs.

The balances for operating leases are presented as follows on the statements of financial position as of June 30:

	<u>2024</u>	<u>2023</u>
Operating leases:		
Operating lease right-of-use asset(s)	\$ <u>52,128</u>	\$ <u>102,761</u>
Operating lease liability	\$ <u>53,302</u>	\$ <u>105,108</u>

**NEWS**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**10. Leases (continued)**

Lease expense on the statements of activities and changes in net assets consists of the following for the year ended June 30:

	<u>2024</u>	<u>2023</u>
Operating lease expense:		
Operating lease – base rent	\$ 52,827	\$ 52,827
Operating lease - variable	<u>-</u>	<u>-</u>
Total operating lease expense	<u>\$ 52,827</u>	<u>\$ 52,827</u>
 Total lease expense	 <u>\$ 52,827</u>	 <u>\$ 52,827</u>

The weighted-average remaining lease term for these leases approximated 1 year and the discount rate approximated 2.85% as of both June 30, 2024 and 2023.

The lease agreements did not provide an implicit rate of return and NEWS used its risk-free rate based on information available at the commencement date in determining the present value of lease payments.

Lease payments for the next 5 years and thereafter are estimated to be:

Year ending June 30,	
2025	\$ 54,000
2026	-
2027	-
2028	-
2029	-
Thereafter	<u>-</u>
Total lease payments	54,000
Less: imputed interest	<u>(698)</u>
Present value of lease obligations	<u>\$ 53,302</u>

**11. Employee retirement plan**

NEWS adopted a defined contribution pension plan under 401(k) of the Internal Revenue Code, covering all employees who have been employed for at least three months and are at least 21 years of age. Employees are eligible to participate in the plan starting on the first of the month following the 90 days of employment. Voluntary employee contributions to the plan are matched by NEWS at its discretion. NEWS may also make discretionary contributions to the accounts of all qualified employees. For the years ended June 30, 2024 and 2023, total contributions were \$19,415 and \$17,828, respectively.

**NEWS**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**12. Programs and activities**

**24/7 Helpline and Emergency shelter**

The NEWS Emergency Shelter is a safe, confidential four-bedroom home located in a residential neighborhood. It has a beautiful kitchen, private bedrooms and bathrooms, indoor and outdoor play areas for children, and a cozy family room where clients can relax and hold family meetings. There is also a two-bedroom one bath modular home located on site. The modular home offers private space for male survivors of domestic violence as well as other clients who may not be comfortable in a communal living situation. NEWS domestic violence/sexual assault counselors are available on site 24 hours a day 7 days a week. Staff support clients in developing case plans based on goals survivors set for themselves. There are total of 16 available beds in the safe house. For the year ended June 30, 2024, NEWS shelter staff fielded 2,671 help line calls and housed 56 adults and 40 children who needed to escape violence and have a safe place to stay. For the year ended June 30, 2023, NEWS shelter staff fielded 2,940 help line calls and housed 42 adults and 40 children who needed to escape violence and have a safe place to stay.

**Housing program**

Domestic violence can lead to homelessness or unstable housing. The NEWS housing and self-sufficiency program is based on the “DV Housing First” model, meaning that assistance finding new and stable housing begins as soon as possible once someone has become homeless. NEWS provides assistance with housing location, helps with locating and applying for financial resources, engages and educates landlords, provides mobile advocacy, facilitates moving, and provides financial assistance for home furnishings. The program also offers direct funding for rental assistance and ongoing case management, support services and referrals. For the year ended June 30, 2024, NEWS provided housing services to 134 clients; approximately 80% of clients receiving housing assistance, advocacy and case management were able to gain or maintain stabilized housing. For the year ended June 30, 2023, NEWS provided housing services to 150 clients; approximately 81% of clients receiving housing assistance, advocacy and case management were able to gain or maintain stabilized housing.

**Sexual assault victim services (SAVS)**

The SAVS program is the only rape crisis center serving Napa County. The program provides 24-hour immediate response and supportive services to adults and children, and their supportive family members who have experienced sexual assault. Sexual assault advocates provide ongoing support throughout the criminal justice system, assistance with filing for victim of crime compensation, connections to individual counseling and support groups and referrals to partner agencies across our community. For the year ended June 30, 2024, SAVS supported 288 individuals, of which 45% were children. For the year ended June 30, 2023, SAVS supported 271 individuals, of which 45% were children.

**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 relationship 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 curriculum is offered to help build safety and self-esteem while doing fun and creative activities.

**NEWS**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**12. Programs and activities (continued)**

**Outreach, education, and prevention (continued)**

- Volunteer programming - NEWS trains a cadre of volunteer 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.
- Outreach and prevention education is led by the outreach and volunteer coordinator. The coordinator creates opportunities for NEWS to engage in public-facing awareness-building events including fairs, workshops, and information sessions in order to increase knowledge within our community of NEWS services available and how people can get involved.
- Outreach to diverse community of American Canyon has been a priority for NEWS this fiscal year. With funding from Cal OES, we enhanced the capacity to support DV/SA survivors from the diverse community of American Canyon. We recognize that American Canyon is a unique community in Napa County. American Canyon is geographically isolated from Napa and is the most racially diverse city in the county. The grant began in January 2023 for a five-year period; during the first year, NEWS leadership has reached out to our business, law enforcement and community connections to listen and understand the barriers that DV/SA survivors from American Canyon may face when accessing services in Napa County. In year 2, focus was shifted to increased outreach and education events, deeper relationships with law enforcement, and a responsive, increased presence on school campuses following recent sexual assault events. Year 3 will incorporate a first of its kind Ambassador program for the residents of American Canyon to take leading role in disseminating information to fellow community members. NEWS serves all DV/SA survivors in Napa County, and we know we have more work to do to become a trusted partner in American Canyon.

**Crisis intervention**

NEWS’s crisis intervention services combine 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’s wrap around services. The focus of this program is to provide crisis intervention and safety planning and meet immediate needs including food, clothing, and shelter. The crisis intervention component of NEWS includes strong collaboration with law enforcement through our co-location at the Monarch Family Justice Center (“MJC”) and includes trauma informed work with survivors who have co-occurring domestic violence, drug, and/or alcohol dependency issues.

These services use trauma informed practices and 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.

- The court advocacy program provides help with the process of filing for protective orders and providing advocacy to victims of domestic violence. NEWS court advocates work together with clients to find resources pertaining to child custody, visitation and civil issues related to abuse. NEWS court advocates are co-located at the MJC.
- The Napa Police Department (NPD) liaison program funds a full-time NEWS DV advocate that is co-located on site at the MJC. The DV advocate works in collaboration with the dedicated NPD DV detective to ensure a coordinated response to DV incidents. The NEWS advocate and NPD review incident reports and provide follow up in-person wherever possible. NEWS coordinates its 24-hour immediate response team with the NPD to provide emergency crisis response to the scene of DV incidents.

**NEWS**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**12. Program and activities (continued)**

Monarch Family Justice Center

NEWS continued its collaboration with local agencies as part of Napa County's family justice center model, the MJC. Core partners include Napa County District Attorney's office including the Children's Advocacy Center and their victim services division. Other partners include the City of Napa Police Department and SANE/SART. NEWS and MJC partners continue to self-fund a small number of service staff who are co-located in the building. Co-location of service staff facilitates coordination across agencies and streamlines service delivery to clients in need. NEWS and its partners are committed to pursuing sustainable funding to support the operations of the MJC to expand the number of partner organizations and potential locations available to community members to receive services.

Fundraising

Fundraising expense includes NEWS'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 NEWS's program strategy, maintain competent professional services for the administration of NEWS and manage the financial and budgetary responsibilities of NEWS.

## **SUPPLEMENTAL SCHEDULES**

**NEWS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30,2024**

Federal Grantor/Pass-through Agent/Program Title	Assistance Listing Number	Agreement Number	Federal Expenditures
<u>CDBG – Entitlement Grants Cluster</u>			
<u>Community Development Block Grants/Entitlement Grants:</u>			
HUD - Community Development Block Grants/Entitlement grants (#C2023 197)	14.218	B-23-MC-06-0038	\$ 30,000
<u>Crime Victim Assistance Programs:</u>			
Federal Trust - Cal OES XD		055-90500/	
	16.575	2020-V2-GX-0031	5,120
	16.575	15OVC-21-GG-00613-ASSI	175,300
	16.575	15OVC-23-GG-00432-ASSI	161,956
			<u>342,376</u>
Federal Trust - Cal OES DV		055-90500/	
	16.575	15OVC-21-GG-00613-ASSI	74,003
	16.575	15OVC-22-GG-00708-ASSI	159,231
			<u>233,234</u>
Federal Trust - Cal OES RC		055-90500/	
	16.575	15POVC-21-GG-00613-ASSI	119,944
	16.575	15OVC-22-GG-00708-ASSI	300,684
			<u>420,628</u>
Federal Trust - Cal OES UV		055-90500/	
	16.575	2020-V2-GX-0031	29,543
	16.575	15POVC-21-GG-00613-ASSI	87,229
	16.575	15POVC-23-GG-00432-ASSI	85,606
			<u>202,378</u>
			<u>1,198,616</u>
<u>Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services</u>			
Federal Trust - Cal OES DV			
	93.671	2201CAFVPS	13,430
	93.671	2301CAFVPS	83,709
			<u>97,139</u>
Federal Trust - Cal OES FD			
	93.671	2201CAFVPS	3,626
	93.671	2301CAFVPS	90,352
			<u>93,978</u>
			<u>191,117</u>

see report of independent auditors and notes to schedule of expenditures of federal awards



**NEWS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30,2024**

Federal Grantor/Pass-through Agent/Program Title	Assistance Listing Number	Agreement Number	Federal Expenditures
<u>Family Violence Prevention and Services/ Sexual Assault/Rape Crisis Services and Supports</u>			
Federal Trust - Cal OES RC	93.497	2201CAFSC6	23,131
<u>Violence Against Women Formula Grants:</u>			
Federal Trust - Cal OES FD			
	16.588	15JOVW-22-GG-00411- STOP	54,024
	16.588	15JOVW-23-GG-00561- STOP	428
			<u>54,452</u>
Violence Against Women Act - Cal OES Formula Grant	16.588	NPD-LE17 01 7400	68,046
			<u>122,498</u>
<u>Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program</u>			
Office on Violence Against Women - OVW	16.590	2021-GG-02007-JCJR	140,828
<u>Emergency Food and Shelter National Board Program</u>			
FEMA/UWBA Rental assist funds Phase 40: \$9,400	97.024	40-078000-007	9,400
			<u>\$ 1,715,590</u>

see report of independent auditors and notes to schedule of expenditures of federal awards

**NEWS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

1. Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the expenditures on an accrual basis of NEWS (a California non-profit public benefit corporation) under programs of the federal government for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

For purposes of the Schedule, federal awards include all sub awards to NEWS by nonfederal organizations pursuant to federal grants, contracts and similar agreements.

2. Summary of significant accounting policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*; wherein certain types of expenditures are not allowed. Assistance Listing numbers ("AL No.") are provided when available.

NEWS elected to use the 10% de minimis indirect cost rate.

see report of independent auditors



REPORT OF INDEPENDENT AUDITORS 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  
NEWS:

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 California non-profit public benefit corporation), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 13, 2025.

***Report on 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 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 or significant deficiencies may exist that were not identified.

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

A handwritten signature in blue ink that reads "Novogradac & Company LLP". The signature is written in a cursive, flowing style.

Petaluma, California  
March 13, 2025



NOVOGRADAC  
& COMPANY LLP®

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

To the Board of Directors of  
NEWS:

***Report on Compliance for Each Major Federal Program***

***Opinion on Each Major Federal Program***

We have audited NEWS's (a California non-profit public benefit corporation) 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, 2024. 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 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, 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 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.

*Novogradac & Company LLP*

Petaluma, California  
March 13, 2025

**NEWS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditors' report issued:	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ Yes	_____ x	No
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ Yes	_____ x	None reported
Noncompliance material to financial statements noted?	_____ Yes	_____ x	No

Federal Awards

Internal Control over major programs:			
Material weakness(es) identified?	_____ Yes	_____ x	No
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ Yes	_____ x	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified		
Audit findings required to be reported in accordance with 2 CFR section 200.516(a)?	_____ Yes	_____ x	No

Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
16.575	Crime Victim Assistance

Dollar threshold used to distinguish between Type A and Type B programs:	_____ \$750,000
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Auditee qualified as low-risk auditee?	_____ x	Yes	_____	No
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**NEWS**  
**SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**  
**(UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Status of Prior Year Findings and Recommendations**

There were no findings and recommendations reported in the June 30, 2023 financial statements.