

Next Door Solutions to Domestic Violence

Financial Statements
and Single Audit Reports and Schedules

June 30, 2023
(With Comparative Totals for 2022)



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Next Door Solutions to Domestic Violence
San Jose, California

Opinion

We have audited the accompanying financial statements of Next Door Solutions to Domestic Violence (the "Organization"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Next Door Solutions to Domestic Violence as of June 30, 2023, 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 Next Door Solutions to Domestic Violence 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.

Change in Accounting Principle

As described in Note 3 to the financial statements, the Organization has adopted FASB 842, *Leases*. Our opinion is not modified with respect to that 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 Next Door Solutions to Domestic Violence'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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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 Next Door Solutions to Domestic Violence'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 Next Door Solutions to Domestic Violence'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* (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 information 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 January 3, 2024, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Next Door Solutions to Domestic Violence's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 12, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Armanino^{LLP}
San Jose, California

January 3, 2024

Next Door Solutions to Domestic Violence
Statement of Financial Position
June 30, 2023
(With Comparative Totals for 2022)

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,482,319	\$ 2,935,199
Investments	348,806	-
Government grants receivable	259,447	341,510
Pledges and grants receivable, current portion	398,665	306,442
Accounts receivable	4,098	8,840
Prepaid expenses and other current assets	49,673	68,284
Total current assets	3,543,008	3,660,275
Property and equipment, net	151,519	166,649
Other assets		
Pledges and grants receivable, noncurrent portion, net	106,583	-
Operating lease right-of-asset	382,121	-
Total other assets	488,704	-
Total assets	\$ 4,183,231	\$ 3,826,924
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 44,235	\$ 51,312
Accrued expenses	299,069	278,716
Deferred revenue	43,971	19,562
Deferred rent	-	10,307
Operating lease liabilities, current portion	213,269	-
Total current liabilities	600,544	359,897
Operating lease liability, net of current portion	167,739	-
Total liabilities	768,283	359,897
Net assets		
Without donor restrictions		
Undesignated	1,084,738	1,224,581
Board designated operating reserve	1,515,000	1,515,000
Board designated administrative reserve	52,526	52,526
Property and equipment fund	151,519	166,649
Total without donor restrictions	2,803,783	2,958,756
With donor restrictions		
Restricted for a specific purpose	263,582	458,271
Restricted to a passage of time	347,583	50,000
Total with donor restrictions	611,165	508,271
Total net assets	3,414,948	3,467,027
Total liabilities and net assets	\$ 4,183,231	\$ 3,826,924

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

Next Door Solutions to Domestic Violence
Statement of Activities
For the Year Ended June 30, 2023
(With Comparative Totals for 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Support and revenue				
Government grants	\$ 2,444,584	\$ -	\$ 2,444,584	\$ 2,985,903
Contributions and grants	1,231,243	935,062	2,166,305	2,217,890
Special events, net of expenses of \$85,910 and \$66,685 for the years ended June 30, 2023 and 2022, respectively	195,355	-	195,355	246,533
Government fees	77,332	-	77,332	53,399
Contributions in-kind	31,626	-	31,626	35,810
Other income	33,087	-	33,087	30,556
Net investment income	5,242	-	5,242	2,909
Net assets released from restriction	832,168	(832,168)	-	-
Total support and revenue	<u>4,850,637</u>	<u>102,894</u>	<u>4,953,531</u>	<u>5,573,000</u>
Functional expenses				
Program services				
24 Hour Emergency Services	762,332	-	762,332	803,112
Self-Sufficiency	1,839,811	-	1,839,811	1,747,544
Community and Systems Advocacy	1,009,566	-	1,009,566	913,866
Prevention	429,006	-	429,006	338,347
COVID-19	-	-	-	190,422
Total program services	<u>4,040,715</u>	<u>-</u>	<u>4,040,715</u>	<u>3,993,291</u>
Support services				
Management and General	509,770	-	509,770	474,740
Fundraising	455,125	-	455,125	395,861
Total support services	<u>964,895</u>	<u>-</u>	<u>964,895</u>	<u>870,601</u>
Total functional expenses	<u>5,005,610</u>	<u>-</u>	<u>5,005,610</u>	<u>4,863,892</u>
Change in net assets	(154,973)	102,894	(52,079)	709,108
Net assets, beginning of year	<u>2,958,756</u>	<u>508,271</u>	<u>3,467,027</u>	<u>2,757,919</u>
Net assets, end of year	<u>\$ 2,803,783</u>	<u>\$ 611,165</u>	<u>\$ 3,414,948</u>	<u>\$ 3,467,027</u>

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

Next Door Solutions to Domestic Violence
Statement of Functional Expenses
For the Year Ended June 30, 2023
(With Comparative Totals for 2022)

	Program Services				Support Services			2023 Total	2022 Total
	24 Hour Emergency Services	Self- Sufficiency	Community and Systems Advocacy	Prevention	Total Program Services	Management and General	Fundraising		
Salaries and related expenses									
Salaries and wages	\$ 503,788	\$ 805,057	\$ 497,316	\$ 277,946	\$ 2,084,107	\$ 320,781	\$ 331,559	\$ 2,736,447	\$ 2,446,610
Employee benefits	71,966	72,296	45,123	33,126	222,511	32,639	32,452	287,602	276,742
Payroll taxes	41,847	65,836	41,237	21,427	170,347	23,966	26,077	220,390	199,900
Total salaries and related expenses	<u>617,601</u>	<u>943,189</u>	<u>583,676</u>	<u>332,499</u>	<u>2,476,965</u>	<u>377,386</u>	<u>390,088</u>	<u>3,244,439</u>	<u>2,923,252</u>
Program supplies and client assistance	29,961	623,164	65,008	59,224	777,357	222	563	778,142	923,237
Professional services (includes in-kind)	17,560	127,233	219,365	14,896	379,054	28,641	14,462	422,157	481,106
Occupancy	48,827	104,262	84,841	10,790	248,720	25,175	15,420	289,315	294,528
Communications	22,359	12,402	6,817	6,614	48,192	3,254	2,750	54,196	50,694
Office expenses	3,430	6,252	3,797	932	14,411	26,222	8,362	48,995	39,030
Other expenses	1,122	1,002	611	256	2,991	20,170	13,683	36,844	33,821
In-kind materials	1,500	-	29,426	-	30,926	700	-	31,626	30,758
Insurance	3,386	6,383	3,381	1,380	14,530	13,405	1,397	29,332	22,812
Travel, conferences, and meetings	989	6,679	8,731	1,249	17,648	8,364	1,775	27,787	6,036
Equipment maintenance and rent	1,677	7,500	2,946	746	12,869	5,270	6,203	24,342	41,244
Depreciation and amortization	<u>13,920</u>	<u>1,745</u>	<u>967</u>	<u>420</u>	<u>17,052</u>	<u>961</u>	<u>422</u>	<u>18,435</u>	<u>17,374</u>
	<u>\$ 762,332</u>	<u>\$ 1,839,811</u>	<u>\$ 1,009,566</u>	<u>\$ 429,006</u>	<u>\$ 4,040,715</u>	<u>\$ 509,770</u>	<u>\$ 455,125</u>	<u>\$ 5,005,610</u>	<u>\$ 4,863,892</u>
Percentage of total	<u>15 %</u>	<u>37 %</u>	<u>20 %</u>	<u>9 %</u>	<u>81 %</u>	<u>10 %</u>	<u>9 %</u>	<u>100 %</u>	

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

Next Door Solutions to Domestic Violence
Statement of Cash Flows
For the Year Ended June 30, 2023
(With Comparative Totals for 2022)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ (52,079)	\$ 709,108
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	18,435	17,374
Amortization of operating lease right-of-use asset	213,923	-
Changes in operating assets and liabilities		
Government grants receivable	82,063	29,948
Pledges and grants receivable	(198,806)	(103,500)
Accounts receivable	4,742	(3,431)
Prepaid expenses and other current assets	18,611	(2,480)
Accounts payable	(7,077)	26,889
Accrued expenses	20,353	6,745
Deferred revenue	24,409	19,562
Deferred rent	-	10,307
Operating lease liabilities	<u>(225,343)</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>(100,769)</u>	<u>710,522</u>
Cash flows from investing activities		
Purchases of property and equipment	(3,305)	(30,904)
Purchase of investments	<u>(348,806)</u>	<u>-</u>
Net cash used in investing activities	<u>(352,111)</u>	<u>(30,904)</u>
Net increase (decrease) in cash and cash equivalents	(452,880)	679,618
Cash and cash equivalents, beginning of year	<u>2,935,199</u>	<u>2,255,581</u>
Cash and cash equivalents, end of year	<u>\$ 2,482,319</u>	<u>\$ 2,935,199</u>

Supplemental schedule of noncash investing and financing activities

Operating right-of-use asset in exchange for operating lease liabilities	\$ 578,837	\$ -
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The accompanying notes are an integral part of these financial statements.

Next Door Solutions to Domestic Violence
Notes to Financial Statements
June 30, 2023
(With Comparative Totals for 2022)

1. NATURE OF OPERATIONS

Next Door Solutions to Domestic Violence (the "Organization"), established in 1971, has extensive experience in working with the unique needs of those impacted by domestic violence ("DV") and in the provision of targeted and impactful programs with measurable outcomes that address serious unmet community need in Santa Clara County ("SCC"). The Organization believes it has positioned itself as a recognized and trusted *Thought Leader* in the nonprofit and domestic violence services sector and participates in collaborative efforts to address systemic domestic violence and ensuing issues faced by those escaping violence and seeking safety, stability and self-sufficiency. Currently, the Organization is the only free-standing domestic violence agency in the county that provides a full array of domestic violence services. Organization programs offer a range of culturally and linguistically appropriate services that are comprehensive, compassionate and women-defined in order to meet the unique and diverse needs of SCC's diverse families. In the years ended June 30, 2023 and 2022, the Organization's programs provided 17,145 and 19,318 advocacy services, respectively with 14,828 and 14,526 hotline calls, respectively. As a multi-cultural, public benefit agency dedicated to proactive and progressive solutions to domestic violence through advocates embedded in multiple community entry points, the Organization also conducts community outreach and DV educational activities with the goal of creating a community environment where violence and abuse are not tolerated.

The Organization:

- Believes that domestic violence happens across our community regardless of socio-economic status, ethnicity, gender identity, and language differences and our community environment should be healthy, peaceful and sustainable,
- Affirms that all aspects of domestic violence must be addressed to reduce this problem,
- Believes that addressing the needs of both adults and children impacted by domestic violence is the key to ending domestic violence in the moment and for all time, and
- Believes that community support, advocacy, and multiple community entry points are critical to long-term solutions to the epidemic of domestic violence that affects our local and national population.

2. PROGRAM SERVICES

The Organization serves victims of domestic violence in various advocacy capacities and multiple community entry points. The Organization builds a partnership between advocates and battered women whereby the women define the advocacy and help needed.

24 Hour Emergency Services

- The Shelter Next Door - Clients receive safe respite from potentially life-threatening abuse including shelter, food, toiletries, medicines, links to emergency cash aid and food stamps, peer counseling (case management), housing assistance, financial literacy screening, and emergency transportation. The Shelter houses approximately 19 people at any one time.

Next Door Solutions to Domestic Violence
Notes to Financial Statements
June 30, 2023
(With Comparative Totals for 2022)

2. PROGRAM SERVICES (continued)

24 Hour Emergency Services (continued)

- 24/7 Crisis hotline - Callers receive a live-voice response from a bilingual advocate 24 hours a day, seven days a week; interpreter services are available for other languages. Services received include peer crisis counseling, information, and referrals to other social service agencies as needed.

Self-Sufficiency

The Organization's belief is that with support, a victim can gain confidence and self-empowerment, increase in self-efficacy and resilience and ultimately move to self-sufficiency.

- Case Management - Clients receive comprehensive, survivor-defined case management to assist each client in reaching personal self-sufficiency goals based on eight (8) domains: Income, Education, Housing, Food, Employment, Healthcare, Wellness, and Domestic Violence (abuse/safety). Clients also receive crisis counseling, safety planning, and have access to workshops in the broader subject areas of financial literacy, advance training and education, and job readiness. Services provided at Community Office and HomeSafe (long-term housing provided by Charities Housing and LifeMoves).
- Support Groups - Clients receive peer support aimed at building individual resilience and self-esteem in a group setting. Each group is ongoing and facilitated by two advocates. Eleven (11) support groups are offered virtually and include five (5) offered in English, four (4) groups offered in Spanish, one (1) for male survivors, and one (1) for LGBTQIAP. All eleven (11) support groups are currently offered virtually.
- Youth and Family - Clients receive support services, advocacy, peer-counseling, and interventions that allow the family to heal while avoiding the negative, long-term impacts of exposure to violence.
- Teen Support Groups - Two groups, one for ages 10-14 years and one for ages 15-18 years. Teens experiencing trauma due to exposure to DV participate in weekly groups led by trained facilitators and explore topics of healthy relationships, communication, conflict resolution, boundaries, self-esteem, and stress relief.
- Kids Club - Children of survivors attending Support Groups and those residing at HomeSafe are given the opportunity to participate in thoughtful, engaging, and fun activities through Kids Club. Children ages 5-12 years receive and engage in structured play groups and individual activities in a safe, inviting, and consistent environment that promotes positive play. It is a space for kids who have experienced/witnessed trauma to just be kids.

Next Door Solutions to Domestic Violence
Notes to Financial Statements
June 30, 2023
(With Comparative Totals for 2022)

2. PROGRAM SERVICES (continued)

Self-Sufficiency (continued)

- Therapy - Provided by licensed therapists, clients receive/attend sessions individually or as a family. Therapeutic orientations depend on the client, situation, and timeframe. Families are assisted in increasing stability and ability to feel confident in parenting during transitions from pre- to post-violence through increased support.
- Housing - Working with an Organization advocate, clients increase access to, and retention of, safe permanent housing. Services include tailored case management, rental assistance, and supportive services that are directed at addressing various life domain barriers, i.e. income, employment, health, that may contribute to the client's risk of homelessness.

Community and Systems Advocacy

- Walk-In Crisis Counseling - Clients receive services from an Organization advocate to address barriers to safety, stability and self-sufficiency. Working with the advocate, clients receive an assessment, to determine the client's particular needs, and then help in determining which services would benefit them, and assistance in accessing those services. Services include safety planning, risk assessments, advocacy, restraining order assistance, support, and referrals.
- Legal Services - Working with the Organization's advocates, clients receive legal assistance with temporary restraining orders, court accompaniment and other domestic violence related court hearings and immigration services.

Prevention

- Domestic Violence and Healthcare Initiative - In collaboration with local community health clinics and the East San Jose PEACE Partnership, the Organization provides community outreach and education on DV's impact to the health and well-being of survivors, children, and youth; technical assistance to health clinics for conducting DV screenings and training's for clinical staff to advance universal knowledge of the larger impact of DV on health, and to promote the practice of providing universal education to all patients who come to healthcare providers, not just screening for disclosure.
- Community Outreach Initiative - the Organization with the help of the survivor advisory group, "El Comit e De Mujeres Fuertes" (Committee of Strong Women) conduct education and training on domestic violence in the broader community. The group has undergone training as Community Health Workers (Promotores) and is partnering with Stanford Medical School to develop a training of trainers for Promotores on the intersection of domestic violence and COVID-19 specifically targeting the Latinx community.

Next Door Solutions to Domestic Violence
Notes to Financial Statements
June 30, 2023
(With Comparative Totals for 2022)

2. PROGRAM SERVICES (continued)

Prevention (continued)

- Men, Boys, and Gender-Based Violence Initiative - 1) Deliver "Coaching Boys Into Men," a violence prevention program from Futures Without Violence, leveraging coach and young school athletes' relationships, focusing on respect for themselves and others - particularly respect for women and girls. 2) Families for Peace, in collaboration with A Turning Point Counseling Services, provides a voluntary support group specifically for men with families who perpetrate abuse and are not yet systems-involved, with the goal of guiding men toward family harmony and healing.

COVID-19

- COVID-19 - For the year ended June 30, 2022, the Organization continued supporting clients with resources and client assistance for basis needs, housing, childcare, and utilities so as to protect clients from becoming homeless.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The financial statements of Next Door Solutions to Domestic Violence have been prepared on the accrual basis of accounting.

In accordance with accounting principles generally accepted in the United States of America, the Organization reports its financial position and operating activities in two classes of net assets:

- *Net assets without donor restrictions* - include those assets over which the Board of Directors has discretionary control in carrying out the operations of the Organization. Under this category, the Organization maintains an operating fund, any net assets designated by the Board for specific purposes and the property and equipment fund.
- *Net assets with donor restrictions* - include contributions received from donors that are restricted for specific purposes or for subsequent periods. When a donor restriction expires, net assets with donor restrictions are classified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction. Net assets held in perpetuity include those assets which are subject to a non-expiring donor restriction, such as endowments. The Organization had no net assets subject to non-expiring donor restrictions as of June 30, 2023 and 2022.

Next Door Solutions to Domestic Violence
Notes to Financial Statements
June 30, 2023
(With Comparative Totals for 2022)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption of new accounting standard updates

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") 842, *Leases*, to increase transparency and comparability among organizations by requiring the recognition of right-of-use ("ROU") assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Organization adopted the standard effective July 1, 2022 and recognized and measured leases existing at, or entered into after, July 1, 2022 through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

The Organization elected the available practical expedients to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on July 1, 2022, an initial lease liability of \$578,837 which represents the present value of the remaining operating lease payments of \$592,297 discounted using rates ranging from the risk-free rate and a right-of-use asset of \$578,837. The standard did not have a material impact on the Organization's statement of activities for the year ended June 30, 2023.

Comparative financial information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional expense categories. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of support, revenue, and expenses during the period. Accordingly, actual results could differ from those estimates.

Next Door Solutions to Domestic Violence
Notes to Financial Statements
June 30, 2023
(With Comparative Totals for 2022)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments and investments with a maturity of three months or less. The Organization maintains its cash in bank deposit accounts which, at times, may exceed Federally insured limits. The Organization has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk on cash accounts.

Fair value measurements

Fair value is defined 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."

A hierarchy has been established to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). Observable inputs are those that market participants would use in pricing the asset based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

- *Level 1* - Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.
- *Level 2* - Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads, and yield curves.
- *Level 3* - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Organization's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The carrying amounts reported in the statement of financial position for the following items approximate fair value because of the short maturity value of these instruments: government grants receivable, pledges and grants receivable, accounts receivable, accounts payable, and accrued expenses.

Next Door Solutions to Domestic Violence
Notes to Financial Statements
June 30, 2023
(With Comparative Totals for 2022)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants, pledges, and accounts receivable

The Organization considers all grants, pledges, and accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is considered necessary.

Property and equipment

Property and equipment are recorded at cost or estimated fair value for donated items. Equipment purchases over \$1,000 are capitalized. The cost of repairs and maintenance which do not improve or extend the lives of the respective assets are expensed currently. Depreciation and amortization is computed on the straight-line method based on the estimated useful lives of the assets, which range from 5 to 39 years. Depreciation and amortization is charged to the activity benefiting from the use of the property or equipment.

Accrued vacation

Accrued vacation represents vacation earned, but not taken as of June 30, 2023 and 2022, and is included in "accrued expenses" in the statement of financial position. The accrued vacation balance as of June 30, 2023 and 2022 was \$108,363 and \$99,820, respectively.

Revenue recognition

Contributions, including unconditional promises to give, are recognized as support in the period received. Contributions, including unconditional promises to give, are recorded with donor restrictions depending on the existence and/or nature of any restrictions and are then reclassified to net assets without donor restrictions upon satisfaction of any restrictions through the net assets released from restriction. Contributions and unconditional promises to give that are expected to be collected or paid in future years are discounted using a net present value technique, unless management determines the discount amount is insignificant.

Contributions that are considered conditional promises to give which contain barriers and a right of return or right of release are not recognized until the conditions on which they depend are met, at which time, the gifts are recognized as contributions with or without donor restrictions.

Next Door Solutions to Domestic Violence
Notes to Financial Statements
June 30, 2023
(With Comparative Totals for 2022)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

The Organization generates a significant amount of revenue from providing services to accomplish its program and support services through cost reimbursement state and federally funded programs. The revenue generated from these services is recorded as government grants in the statement of activities. These government grants meet the criteria to be classified as conditional contributions under GAAP revenue recognition for nonprofit organizations as they contain barriers related to the incurrence of qualifying expenditures and a right of return or release. The Organization has elected a simultaneous release option to account for these grants. Therefore, they are recorded as government grants without donor restriction upon satisfaction of the barriers. In the event amounts are received and have not been earned, the Organization records such amounts as refundable advances until earned. As of June 30, 2023, the Organization had conditional contributions related to open state and federal government grant agreements (see Note 5).

Special event contributions are generally reported as increases in net assets without donor restrictions. However, if the circumstances surrounding the receipt of such contributions make clear the respective donor's implicit restrictions on use, such amounts are classified as increases in net assets with donor restrictions. Special event contributions for an event in a future period are reported as increases in net assets with donor restrictions, and released in the future period, attributable to that event. Any exchange transaction portion of special event income is recognized as income when the event occurs.

Donated equipment and other donated goods are recorded at their estimated fair value as of the date of the donation. Contributed services, which require a specialized skill and which the Organization would have paid for if not donated, are recorded at the estimated fair value at the time the services are rendered. The Organization also receives donated services that do not require specific expertise but which are nonetheless central to the Organization's operations. While these contributed services are not reflected in the financial statements, the estimated value of these services is disclosed in Note 8.

Functional expense allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and support services benefited. Indirect salary allocations are based on timesheets. Other indirect costs are allocated on the basis of full time equivalent staff members in each function.

Next Door Solutions to Domestic Violence
Notes to Financial Statements
June 30, 2023
(With Comparative Totals for 2022)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Next Door Solutions to Domestic Violence is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and state income taxes under Section 23701(d) of the California Revenue Taxation Code. Accordingly, no provision for income taxes has been made in the accompanying statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Internal Revenue Code.

Uncertainty in income taxes

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Organization in its federal and state exempt organization tax returns are more-likely-than-not to be sustained upon examination.

Subsequent events

Management of the Organization has evaluated events and transactions subsequent to June 30, 2023 for potential recognition or disclosure in the financial statements. The Organization did not have subsequent events that required recognition or disclosure in the financial statements. Subsequent events have been evaluated through the date the financial statements became available to be issued, January 3, 2024.

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	<u>2023</u>	<u>2022</u>
Land	\$ 96,974	\$ 96,974
Building and improvements	280,314	280,314
Equipment and furniture	227,203	228,127
Leasehold improvements	52,642	52,642
Construction in progress	1,850	-
	<u>658,983</u>	<u>658,057</u>
Accumulated depreciation and amortization	<u>(507,464)</u>	<u>(491,408)</u>
	<u>\$ 151,519</u>	<u>\$ 166,649</u>

Next Door Solutions to Domestic Violence
Notes to Financial Statements
June 30, 2023
(With Comparative Totals for 2022)

4. PROPERTY AND EQUIPMENT (continued)

Depreciation expense for the years ended June 30, 2023 and 2022 totaled \$18,435 and \$17,374, respectively.

5. CONDITIONAL GOVERNMENT GRANTS

Conditional government grants are recognized as revenue when the Organization meets the terms of the conditions.

Conditional promises to give, expected to be recognizable in one year or less, consisted of the following:

Awards recognizable as the Organization incurs allowable expenditures for federal, state and other governmental grants	<u>\$ 520,544</u>
--	-------------------

6. BOARD DESIGNATED NET ASSETS

Operating reserve

The Organization maintains a minimum of three months' reserve to stabilize cash flow and cover any support and revenue shortfalls that occur because of grant delays and seasonal variation in fundraising or receipts that do not meet budget expectations. Government, foundation, and corporation grants can make up a significant portion of the Organization's support and revenue, and there can be significant delays in the receipt of these monies after an award. The operating reserve totaled \$1,515,000 as of June 30, 2023 and 2022, respectively.

Administrative reserve

A second reserve was established during the year ended June 30, 2015, to ensure adequate administrative support for the Organization which will allow for greater efficiency and increased community outreach. The scope of the administrative reserve was expanded in 2017 to ensure the agency is following Santa Clara County living wage compensation recommendations. The administrative reserve totaled \$52,526 as of June 30, 2023 and 2022, respectively.

Next Door Solutions to Domestic Violence
Notes to Financial Statements
June 30, 2023
(With Comparative Totals for 2022)

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

	Balance at June 30, 2022	Additions	Releases	Balance at June 30, 2023
Purpose restricted				
Community and systems advocacy	\$ 133,312	\$ 34,075	\$ (45,524)	\$ 121,863
Self-sufficiency	213,316	250,981	(355,432)	108,865
24 hour emergency services	4,721	51,991	(52,746)	3,966
Quilting	1,997	-	-	1,997
Professional development	60,705	24,069	(57,883)	26,891
Health partnership	42,986	20,700	(63,686)	-
Coaching boys into men	1,234	-	(1,234)	-
Winter open house	-	20,663	(20,663)	-
	<u>458,271</u>	<u>402,479</u>	<u>(597,168)</u>	<u>263,582</u>
Time restricted				
General operating	<u>50,000</u>	<u>532,583</u>	<u>(235,000)</u>	<u>347,583</u>
	<u>\$ 508,271</u>	<u>\$ 935,062</u>	<u>\$ (832,168)</u>	<u>\$ 611,165</u>

8. CONTRIBUTIONS IN-KIND

During the years ended June 30, 2023 and 2022, volunteers donated 0 and 126 hours, respectively, to the Organization's various programs in professional services such as counseling, legal services, and the shelter hotline. The services, which require a specialized skill and which the Organization would have paid for if not donated, are recorded as part of contributions in-kind in the financial statements at the estimated fair value based on the actual hours and billing rate provided by third parties, at the time the services are rendered. For the years ended June 30, 2023 and 2022, management has estimated the value of these services to be \$0 and \$5,052, respectively.

Volunteers also donated 448 and 497 hours of non-professional services, such as childcare and general administrative services for the years ended June 30, 2023 and 2022, respectively. Management has estimated the value of these services to be \$11,542 and \$9,485. Since these services did not require specialized skills, they have not been recorded as support and expense in the financial statements.

Next Door Solutions to Domestic Violence
Notes to Financial Statements
June 30, 2023
(With Comparative Totals for 2022)

8. CONTRIBUTIONS IN-KIND (continued)

The Organization receives a significant amount of donated food, clothing, and household items from the community. All donated food items and other materials are primarily used in The Shelter Next Door Program. The estimated fair value of donated goods received are recorded as contributions. Donated food was received from Second Harvest of Silicon Valley. Donated non-government food was valued at \$1.93 and \$1.92 per pound for the years ended June 30, 2023 and 2022, respectively. Donated government food was valued at \$1.57 and \$1.53 per pound for the years ended June 30, 2023 and 2022, respectively. These valuations were based on cost studies conducted for Feeding America.

Contributions in-kind consist of the following:

	2023	2022
Materials	\$ 31,626	\$ 30,758
Professional services	-	5,052
	\$ 31,626	\$ 35,810

9. LEASES

In July 2022, the Organization adopted the new lease accounting guidance under ASC 842. The most significant change requires lessees to record the present value of the operating lease payments as right-of-use assets and lease liabilities in the accompanying statement of financial position. The new guidance continues to require lessees to classify leases between operating and financing leases (formally "capital leases").

The Organization rents 11,520 square feet of office space at the rate of \$15,298 per month under a four-year operating lease which expires March 31, 2025. The rate is to increase annually by 3%.

Additional information related to leases is as follows:

Operating lease right-of-use assets as of June 30, 2023:		
Weighted-average discount rate - operating lease		2.85 %
Weighted-average lease term - operating lease		2.75 years
Cash paid on operating lease	\$	197,827
Operating right-of-use asset obtained in exchange for operating lease liabilities	\$	578,837

Next Door Solutions to Domestic Violence
Notes to Financial Statements
June 30, 2023
(With Comparative Totals for 2022)

9. LEASES (continued)

The scheduled minimum lease payments under the lease terms are as follows:

<u>Year ending June 30,</u>	
2024	\$ 220,850
2025	<u>169,336</u>
	390,186
Less: debt discount	<u>(9,176)</u>
	<u><u>\$ 381,010</u></u>

Future minimum lease payments related to leases as of June 30, 2022, before the adoption of ASC 842 Leases, were as follows:

<u>Year ending June 30,</u>	
2023	\$ 214,417
2024	220,850
2025	<u>169,336</u>
	<u><u>\$ 604,603</u></u>

10. CONTINGENCIES

Grants and contracts awarded to Next Door Solutions to Domestic Violence are subject to the funding agencies' criteria, contract terms, and regulations under which expenditures may be charged and are subject to audit under such terms, regulations, and criteria. Occasionally, such audits may determine that certain costs incurred in connection with the grants do not comply with the established criteria that govern them. In such cases, the Organization could be held responsible for repayments to the funding agency for the costs or be subject to a reduction of future funding in the amount of the costs. Management does not anticipate any material questioned costs for the contracts and grants administered during the period.

11. CONFLICT OF INTEREST POLICY

Included among the Organization's Board of Directors and Officers are volunteers from the community who provide valuable assistance to the Organization in the development of policies and programs and in the evaluation of business transactions. The Organization has adopted a conflict of interest policy whereby board members are disqualified from participation in the final decisions regarding any action affecting their related company or agency.

Next Door Solutions to Domestic Violence
Notes to Financial Statements
June 30, 2023
(With Comparative Totals for 2022)

12. CONCENTRATIONS

The Organization receives grants from various governmental agencies to provide services with governmental funding representing approximately 51% of all support and revenue for the the year ended June 30, 2023. During the year ended June 30, 2023, two governmental agencies provided approximately 48% and 43% of the total government grants. During the year ended June 30, 2022, two governmental agencies provided approximately 43% and 42% of the total government grants. In the event that either of these funding opportunities were to be reduced or terminated, the Organization's ability to provide services would be impacted, though not eliminated, and alternative funding sources would be secured.

Grants, pledges, and accounts receivable are principally with governmental organizations and private foundations. As of June 30, 2023, 39% and 23% of the government grants receivable were due from two governmental organizations, and 27%, 26%, 21%, and 19% of the (non-government) pledges and grants receivable were due from four private foundations. As of June 30, 2022, 62% and 17% of the government grants receivable were due from two governmental organizations, and 35%, 35%, 12% and 10% of the (non-government) pledges and grants receivable were due from four private foundations.

13. LIQUIDITY AND AVAILABILITY OF RESOURCES

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Organization is substantially supported by contributions and government grants. The Organization holds all of its cash in bank accounts that can be readily available for operating needs. Short-term receivables consist of accounts, government grants and pledges and grants receivable expected to be received within one year from June 30, 2023 or 2022. Short-term accounts and pledges and grants receivable without donor restrictions will be available to support general operations of the Organization.

Next Door Solutions to Domestic Violence
Notes to Financial Statements
June 30, 2023
(With Comparative Totals for 2022)

13. LIQUIDITY AND AVAILABILITY OF RESOURCES (continued)

The following is a quantitative disclosure which describes financial assets that are available within one year of June 30, 2023 and 2022 to fund general expenditures and other obligations when they become due:

	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 2,482,319	\$ 2,935,199
Investments	348,806	-
Government grants receivable	259,447	341,510
Pledges and grants receivable	505,248	306,442
Accounts receivable	4,098	8,840
	3,599,918	3,591,991
Less amounts unavailable for general expenditure within one year due to:		
Board designated operating reserve	(1,515,000)	(1,515,000)
Board designated administrative reserve	(52,526)	(52,526)
Restricted for a specific purpose	(263,583)	(458,271)
Restricted to a passage of time	(115,000)	-
	(1,946,109)	(2,025,797)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,653,809	\$ 1,566,194

SINGLE AUDIT REPORTS AND SCHEDULES



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*

To the Board of Directors
Next Door Solutions to Domestic Violence
San Jose, 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 Next Door Solutions to Domestic Violence (the "Organization"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated January 3, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's 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 the Organization'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.



Armanino^{LLP}
San Jose, California

January 3, 2024



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

To the Board of Directors
Next Door Solutions to Domestic Violence
San Jose, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Next Door Solutions to Domestic Violence (the "Organization")'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 the Organization's major federal programs for the year ended June 30, 2023. The Organization'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, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

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 the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

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 the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than 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 the Organization's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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.

A handwritten signature in black ink that reads "Armanino LLP". The signature is written in a cursive, flowing style.

Armanino^{LLP}
San Jose, California

January 3, 2024

Next Door Solutions to Domestic Violence
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures
<u>Expenditures of Federal Awards</u>			
U.S. Department of Housing and Urban Development			
Community Development Block Grants/Entitlement Grants			
Pass-through program from:			
City of Milpitas	14.218	N/A	\$ 25,250
City of Mountain View	14.218	N/A	2,916
City of Santa Clara	14.218	N/A	30,000
County of Santa Clara	14.218	PS-23-09	13,183
Total Community Development Block Grants/Entitlement Grants			<u>71,349</u>
Emergency Solutions Grant Program			
Pass-through program from:			
Rental Housing Habitability Program			
City of San Jose Rehousing	14.231	ESG-21-001A	41,464
Total U.S. Department of Housing and Urban Development			<u>112,813</u>
U.S. Department of Homeland Security			
Direct awards:			
Emergency Food and Shelter National Board Program	97.024	Phase 39	8,265
Second Harvest of Silicon Valley	97.024	7001	192
Total U.S. Department of Homeland Security			<u>8,457</u>
U.S. Department of Health and Human Services			
Mental Health Research Grants			
Pass-through program from:			
Stanford University, Department of Emergency Medicine, Stanford University School of Medicine	93.242	SPO 258225	19,152
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services			
Pass-through program from:			
State of California - California Emergency Management Agency	93.671	DV20 31 1416	23,021
State of California - California Emergency Management Agency	93.671	DV22 33 1416	41,515
Total Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services			<u>64,536</u>
Total U.S. Department of Health and Human Services			<u>83,688</u>

The accompanying notes to the Schedule of Expenditures of Federal Awards
are an integral part of this schedule.

Next Door Solutions to Domestic Violence
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures
U.S. Department of Justice			
Crime Victim Assistance			
Pass-through program from:			
State of California - California Emergency Management Agency	16.575	DV20 31 1416	13,286
State of California - California Emergency Management Agency	16.575	DV22 33 1416	252,079
State of California - California Emergency Management Agency	16.575	XD20 03 1416	110,220
State of California - California Emergency Management Agency	16.575	XD22 01 1416	224,058
State of California - California Emergency Management Agency	16.575	XL21 04 1416	93,299
State of California - California Emergency Management Agency	16.575	XL22 05 1416	86,587
ProBono Project State of California - California Emergency Management Agency	16.575	N/A	<u>2,639</u>
Total Crime Victim Assistance			<u>782,168</u>
Justice Systems Response to Families			
Pass-through program from:			
ProBono Project	16.021	15JOVW-21-GG- 00219-JFFX	<u>25,166</u>
Total Justice Systems Response to Families			<u>25,166</u>
Total U.S. Department of Justice			<u>807,334</u>
Total Expenditures of Federal Awards			<u>\$ 1,043,131</u>

The accompanying notes to the Schedule of Expenditures of Federal Awards
are an integral part of this schedule.

Next Door Solutions to Domestic Violence
Notes to Schedule of Expenditures of Federal Awards
June 30, 2023

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal (the "Schedule") includes the federal award activity of Next Door Solutions to Domestic Violence (the "Organization") under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

2. 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, wherein certain types of expenditures are not allowable or limited as to reimbursement. Pass-through entity identifying numbers are presented where available and applicable.

3. INDIRECT COST RATE

The Organization has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Next Door Solutions to Domestic Violence
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Federal Assistance Listing Number</u>
Crime Victim Assistance	16.575
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

Next Door Solutions to Domestic Violence
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

SECTION II - SUMMARY OF FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to be reported.

SECTION III - SUMMARY OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no federal award findings to be reported.

Next Door Solutions to Domestic Violence
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2023

There were no prior year findings.