

NAPA VALLEY SUPPORT SERVICES

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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Independent Auditor's Report

To the Board of Directors
Napa Valley Support Services

Opinion

We have audited the accompanying financial statements of Napa Valley Support Services (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 Napa Valley Support Services as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Napa Valley Support Services and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Napa Valley Support Services' 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 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, 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 Napa Valley Support Services' 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Napa Valley Support Services' 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.

Jones + Piny, Inc.

Napa, California
December 11, 2025

NAPA VALLEY SUPPORT SERVICES

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2025 AND 2024

ASSETS	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 338,401	\$ 159,815
Accounts receivable	730,861	349,631
Prepaid expenses and other assets	6,879	11,509
Right-of-use operating lease asset	413,219	651,527
Investments	1,915,299	1,968,041
Property and equipment, net	105,002	45,747
Deposits	<u>13,500</u>	<u>10,490</u>
Total Assets	<u>\$ 3,523,161</u>	<u>\$ 3,196,760</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 369	\$ 4,716
Accrued expenses	257,369	210,339
Right-of-use operating lease liability	<u>429,113</u>	<u>669,529</u>
Total Liabilities	<u>686,851</u>	<u>884,584</u>
Net Assets		
With donor restrictions	23,128	3,268
Without donor restrictions	<u>2,813,182</u>	<u>2,308,908</u>
Total Net Assets	<u>2,836,310</u>	<u>2,312,176</u>
Total Liabilities And Net Assets	<u>\$ 3,523,161</u>	<u>\$ 3,196,760</u>

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

NAPA VALLEY SUPPORT SERVICES

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2025

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Revenue And Support			
Contracts and grants	\$ 4,114,936	\$ 25,466	\$ 4,140,402
Contributions	28,965	12,500	41,465
In-kind contributions	13,270	-	13,270
Investment income, net	177,259	-	177,259
Special events			
Event revenue	14,990	-	14,990
Event expense	(2,811)	-	(2,811)
Net events	12,179	-	12,179
Gain on sale of assets	180	-	180
Other income	11,488	-	11,488
Net assets released from restrictions	18,106	(18,106)	-
Total Revenue And Support	<u>4,376,383</u>	<u>19,860</u>	<u>4,396,243</u>
Expenses			
Program expenses			
Imperial Way	1,709,580	-	1,709,580
Brown Street Gallery	623,692	-	623,692
Napa Personnel Systems	984,201	-	984,201
Total Program	3,317,473	-	3,317,473
Management and general	554,636	-	554,636
Fundraising	-	-	-
Total Expenses	<u>3,872,109</u>	<u>-</u>	<u>3,872,109</u>
Change in Net Assets	504,274	19,860	524,134
Net assets, beginning of the year	<u>2,308,908</u>	<u>3,268</u>	<u>2,312,176</u>
Net Assets, End Of The Year	<u>\$ 2,813,182</u>	<u>23,128</u>	<u>\$ 2,836,310</u>

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

NAPA VALLEY SUPPORT SERVICES

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2024

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Revenue And Support			
Contracts and grants	\$ 3,420,891	\$ 4,000	\$ 3,424,891
Contributions	32,707	-	32,707
In-kind contributions	7,653	-	7,653
Investment income, net	215,571	-	215,571
Employee Retention Credit income	303,696	-	303,696
Other income	12,131	-	12,131
Net assets released from restrictions	5,401	(5,401)	-
Total Revenue And Support	3,998,050	(1,401)	3,996,649
Expenses			
Program expenses			
Imperial Way	1,698,999	-	1,698,999
Brown Street Gallery	612,958	-	612,958
Napa Personnel Systems	950,351	-	950,351
Total Program	3,262,308	-	3,262,308
Management and general	571,401	-	571,401
Fundraising	-	-	-
Total Expenses	3,833,709	-	3,833,709
Change in Net Assets	164,341	(1,401)	162,940
Net assets, beginning of the year	2,144,567	4,669	2,149,236
Net Assets, End Of The Year	\$ 2,308,908	3,268	\$ 2,312,176

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

NAPA VALLEY SUPPORT SERVICES

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2025

	Program	Management and General	Fundraising	Total
Salaries	\$ 2,302,277	\$ 367,673	\$ -	\$ 2,669,950
Payroll taxes	170,154	26,517	-	196,671
Benefits	262,413	29,912	-	292,325
Worker's compensation	<u>72,837</u>	<u>(8,025)</u>	-	<u>64,812</u>
Total salaries and benefits	2,807,681	416,077	-	3,223,758
Computer expenses and equipment	16,456	2,369	-	18,825
Consulting services	10,178	1,432	-	11,610
Depreciation	22,765	2,688	-	25,453
Dues and fees	865	7,137	-	8,002
Equipment rental	5,094	4,256	-	9,350
In-kind expenses	2,090	11,180	-	13,270
Insurance	36,802	15,569	-	52,371
Janitorial	37,450	-	-	37,450
Marketing and development	2,653	1,173	-	3,826
Office expense	4,869	266	-	5,135
Postage and printing	2,614	289	-	2,903
Professional fees	-	71,931	-	71,931
Professional services	20,754	3,361	-	24,115
Rent	219,361	3,095	-	222,456
Repairs and maintenance	9,833	83	-	9,916
Staff hiring	3,718	223	-	3,941
Supplies and other	28,452	6,151	-	34,603
Training and meetings	5,277	1,409	-	6,686
Travel	8,986	136	-	9,122
Utilities	49,889	5,609	-	55,498
Vehicle maintenance	<u>21,686</u>	<u>202</u>	-	<u>21,888</u>
	<u>\$ 3,317,473</u>	<u>\$ 554,636</u>	<u>\$ -</u>	<u>\$ 3,872,109</u>

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

NAPA VALLEY SUPPORT SERVICES

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

	Program	Management and General	Fundraising	Total
Salaries	\$ 2,256,006	\$ 360,001	\$ -	\$ 2,616,007
Payroll taxes	167,408	27,381	-	194,789
Benefits	240,841	27,120	-	267,961
Worker's compensation	87,003	13,984	-	100,987
Total salaries and benefits	<u>2,751,258</u>	<u>428,486</u>	-	<u>3,179,744</u>
Computer expenses and equipment	12,203	5,402	-	17,605
Consulting services	1,753	649	-	2,402
Depreciation	46,609	3,508	-	50,117
Dues and fees	1,037	6,026	-	7,063
Equipment rental	6,190	4,878	-	11,068
In-kind expenses	437	7,216	-	7,653
Insurance	22,154	23,626	-	45,780
Janitorial	47,892	-	-	47,892
Marketing and development	3,460	1,227	-	4,687
Office expense	9,529	800	-	10,329
Postage and printing	325	1,256	-	1,581
Professional fees	-	66,141	-	66,141
Professional services	20,363	3,328	-	23,691
Rent	205,955	7,164	-	213,119
Repairs and maintenance	5,678	4,792	-	10,470
Staff hiring	4,969	240	-	5,209
Supplies and other	26,893	463	-	27,356
Training and meetings	14,803	1,007	-	15,810
Travel	9,925	103	-	10,028
Utilities	48,349	5,071	-	53,420
Vehicle maintenance	22,526	18	-	22,544
	<u>\$ 3,262,308</u>	<u>\$ 571,401</u>	<u>\$ -</u>	<u>\$ 3,833,709</u>

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

NAPA VALLEY SUPPORT SERVICES

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Cash Flows From Operating Activities		
Change in Net Assets	\$ 524,134	\$ 162,940
Adjustments To Reconcile Change in Net Assets To Net Cash Provided (Used) By Operating Activities:		
Net realized and unrealized (gains)	(122,411)	(119,915)
Depreciation expense	25,453	50,117
Decrease (Increase) in		
Accounts receivable	(381,230)	(5,384)
Prepaid expenses and other assets	4,630	21,555
Right-of-use operating lease asset	238,308	(167,340)
Deposits	(3,010)	-
Increase (Decrease) in		
Accounts payable	(4,347)	(75,923)
Accrued expenses	47,030	(7,038)
Right-of-use operating lease liability	(240,416)	163,445
Net Cash Provided By Operating Activities	88,141	22,457
Cash Flows From Investing Activities		
Purchase of fixed assets	(84,708)	-
Purchase of securities	(824,178)	(1,277,864)
Proceeds from sale of investments	999,331	1,137,695
Net Cash Provided (Used) By Investing Activities	90,445	(140,169)
Net Increase (Decrease) In Cash And Cash Equivalents	178,586	(117,712)
Cash And Cash Equivalents, Beginning Of The Year	159,815	277,527
Cash And Cash Equivalents, End Of The Year	\$ 338,401	\$ 159,815
Supplemental Disclosures Of Cash Flow Information		
Cash paid during the year for interest	\$ -	\$ -
Cash paid during the year for income taxes	\$ -	\$ -

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

NAPA VALLEY SUPPORT SERVICES

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Purpose

Napa Valley Support Services (the “Organization”) is a nonprofit corporation organized under the laws of the State of California in 1972. The Organization provides various services to adults with disabilities. Services to clients include employment, increasing skills and wages, and expanding and encouraging choices for education, daily living and recreation. The primary sources of funding for the Organization are the State of California Department of Developmental Services and the State of California Department of Rehabilitation.

Basis of Presentation

The Organization prepares its financial statements using the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). Revenues are recognized in the period in which they are earned. Expenses are recognized in the period in which they are incurred.

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions – Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets with Donor Restrictions – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that the donor restrictions were met in the year the contribution was received.

NAPA VALLEY SUPPORT SERVICES

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies - continued

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization treats highly liquid debt instruments with a due date of three months or less as cash equivalents that are not managed as part of investments.

Investments

Generally accepted accounting principles require nonprofit organizations to report certain investments at fair value. Fair values are based on quoted market prices for identical actively traded securities. Information about the fair value of investments and investment income is included in Note 3 and Note 11.

Property, Equipment, and Depreciation

Property and equipment are stated at cost or donated value and assets with a cost of \$3,000 or more are capitalized. Depreciation is computed using the straight-line method over an estimated useful life ranging from three to ten years. Depreciation expense for the years ended June 30, 2025 and 2024 was \$25,453 and \$50,117, respectively.

Functional Expenses

Expenses are allocated to program and other activities based on specific identification and estimates by management. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. Fundraising expenses include those expenses related to efforts to secure grants, donations and other general support.

NAPA VALLEY SUPPORT SERVICES

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies - continued

Income Taxes

The Organization is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and Section 23701(f) of the California Revenue and Taxation Code. There are no provisions for income tax expense accordingly. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization's federal and state tax returns are subject to examination by the Internal Revenue Service and the Franchise Tax Board generally for three and four years, respectively, after they were filed.

Fair Value Measurements

Generally accepted accounting principles (GAAP) provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level:

- Level 1 inputs – quoted prices in active markets for identical assets
- Level 2 inputs – quoted prices in active or inactive markets for the same or similar assets
- Level 3 inputs – estimates using best information available when there is little or no market

The Organization is required to measure certain investments at fair value in accordance with GAAP. The techniques used to measure the fair value of investments are described in Note 11.

Right-Of-Use (ROU) Operating Lease Asset and Liability

ROU operating lease asset represents the Organization's right to use the underlying asset for the lease term and operating lease liability represents the net present value of the Organization's obligation to make payments arising from this lease. The lease liability is based on the present value of fixed lease payments over the lease term using its incremental borrowing rate on the lease commencement date. If the lease includes one or more options to extend the term of the lease, the renewal option is considered in the lease term if it is reasonably certain the Organization will exercise the option. Operating lease expense is recognized on a straight-line basis over the term of the lease and is included in office expense. As permitted by FASB Accounting Standards Codification (ASC) 842, leases with an initial term of twelve months or less (short-term leases) are not recorded on the accompanying statements of financial position.

NAPA VALLEY SUPPORT SERVICES

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies - continued

Recently Issued Accounting Standards

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This update replaced the incurred impairment loss methodology with a methodology that reflects the expected credit losses using a wide range of reasonable and supportable information to inform credit loss estimates. The amendment affects trade receivables. The Organization adopted the new standard effective July 1, 2023, using the modified retrospective approach. The adoption of this ASU did not have a material impact on the financial statements.

2. Concentration of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk include cash and investments. The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits as guaranteed by the Federal Deposit Insurance Corporation (FDIC). Investments held by a broker in customer accounts are protected against physical loss and theft by the Securities Investor Protection Corporation (SIPC).

3. Investments and Investment Income

The Organization owns marketable debt and equity securities that are intended to provide resources for programs and operations. Investments consist of both board-designated funds and unrestricted funds. See Note 12 for board-designated funds. The fair market values of investments are based on quoted prices in active markets (Level 1 inputs) as follows at June 30, 2025 and 2024 respectively:

	2025	2024
Equities	\$ 885,777	\$ 824,021
Fixed income	916,769	1,066,747
Commodities	33,480	-
Cash and cash alternatives	79,273	77,273
	<u>\$ 1,915,299</u>	<u>\$ 1,968,041</u>

NAPA VALLEY SUPPORT SERVICES

NOTES TO FINANCIAL STATEMENTS

3. Investments and Investment Income - continued

Net investment income consists of the following for the years ended June 30, 2025 and 2024:

	2025	2024
Interest and dividends	\$ 66,715	\$ 106,378
Realized gains	42,687	7,931
Unrealized gains	79,724	111,984
Investment management fees	<u>(11,867)</u>	<u>(10,722)</u>
	<u>\$ 177,259</u>	<u>\$ 215,571</u>

4. Accounts Receivable

The Organization's accounts receivable are recorded at estimated net realizable value. Accounts receivable includes amounts due from organizations related to the provision of services to clients. Allowances for doubtful accounts reflects the expected future credit losses over the life of the financial asset. The allowance for doubtful accounts is established based on prior and forecasted collection experience, as well as current and future economic factors that, in management's judgment, could influence the ability of the account receivable debtors to repay the amounts per the credit terms. Management believes the balances of \$730,861 and \$349,631 as of June 30, 2025 and 2024 to be fully collectible, therefore no allowance for doubtful accounts has been established.

5. Property and Equipment

Property and equipment consists of the following as of June 30, 2025 and 2024:

	2025	2024
Furniture and equipment	\$ 32,832	\$ 39,632
Vehicles	440,262	355,555
Leasehold improvements	<u>88,354</u>	<u>88,354</u>
	561,448	483,541
Accumulated depreciation	<u>(456,446)</u>	<u>(437,794)</u>
	<u>\$ 105,002</u>	<u>\$ 45,747</u>

6. Retirement Plan

The Organization adopted a retirement plan (401k Plan) for employees beginning in January 2013. Employees are eligible to participate in the 401k Plan after one year of service and provided that they work a minimum of 1,000 hours. The Organization contributes 5% of gross salaries for all eligible employees. Total employer retirement contributions for the years ended June 30, 2025 and 2024 were \$90,963 and \$87,721, respectively.

NAPA VALLEY SUPPORT SERVICES

NOTES TO FINANCIAL STATEMENTS

7. Concentrations

A total of 75% and 83% of the accounts receivable balances as of June 30, 2025 and 2024 were due from two organizations. The same two organizations contributed 81% and 82% of total revenue for the years ended June 30, 2025 and 2024, respectively.

8. Operating Leases

The Organization leases two facilities under operating leases from third parties, which expire on August 31, 2026 and August 31, 2028. The monthly payments are \$18,144 for both operating leases. The leases contain an annual increase of 4% to 3.5%. For both leases, the Organization is responsible for paying a monthly variable portion of operational and common area expenses. For the year ended June 30, 2025, the total lease cost and operating cash flows from operating leases was \$201,253 and \$202,663. For the year ended June 30, 2024, the total lease cost and operating cash flows from operating leases was \$204,808 and \$213,058. The discount rate used for operating leases is the risk-free rate at the date of inception.

The weighted average discount rates and lease terms for lease obligations at June 30, 2025, are as follows:

Weighted Average Discount Rate	1.90%
Weighted Average Lease Term (in years)	2.17

Future minimum lease payments and reconciliation to the statement of financial position at June 30, 2025, are as follows:

June 30, 2026	\$	224,826
June 30, 2027		105,958
June 30, 2028		98,577
June 30, 2029		<u>16,536</u>
Total future undiscounted lease payments		445,897
Less interest		<u>(16,784)</u>
Lease liabilities	\$	<u>429,113</u>

9. Accrued Expenses

A summary of accrued expenses is as follows as of June 30, 2025 and 2024:

	2025	2024
Accrued Vacation	\$ 120,152	\$ 103,143
Accrued Salaries and Taxes	133,415	107,196
Other Liabilities	<u>3,802</u>	<u>-</u>
	<u>\$ 257,369</u>	<u>\$ 210,339</u>

NAPA VALLEY SUPPORT SERVICES

NOTES TO FINANCIAL STATEMENTS

10. Employee Retention Credit

During the year ended June 30, 2022, the Organization amended payroll tax reports to claim refundable employment tax credits to help with the cost of keeping staff employed. Under FASB ASC 958-605, these Employee Retention Credits (ERC's) have been treated like a conditional contribution. Revenues have been recorded when the conditions required by the ERC have been substantially met and the right to receive the ERC is unconditional. The Organization received ERC income of \$303,696 for the year ended June 30, 2024.

11. Fair Value Measurements

The following table presents the Organization's fair value hierarchy for those assets and liabilities measured at fair value on June 30, 2025:

Financial Assets	Fair Value	Level 1	Level 2	Level 3
Equities	\$ 885,777	\$ 885,777	\$ -	\$ -
Fixed income	916,769	916,769	-	-
Commodities	33,480	33,480	-	-
Cash and cash alternatives	79,273	79,273	-	-
	\$ 1,915,299	\$ 1,915,299	\$ -	\$ -

The following table presents the Organization's fair value hierarchy for those assets and liabilities measured at fair value on June 30, 2024:

Financial Assets	Fair Value	Level 1	Level 2	Level 3
Equities	\$ 824,021	\$ 824,021	\$ -	\$ -
Fixed income	1,066,747	1,066,747	-	-
Cash and cash alternatives	77,273	77,273	-	-
	\$ 1,968,041	\$ 1,968,041	\$ -	\$ -

12. Board-Designated Net Assets

The Board of Directors has reserved a total of \$1,672,301 and \$1,512,184 of net assets without donor restrictions to support the capital and long-term needs of the Organization for the years ended June 30, 2025 and 2024, respectively.

NAPA VALLEY SUPPORT SERVICES

NOTES TO FINANCIAL STATEMENTS

13. In-Kind Contributions

Donated goods and services received as contributions are recorded in the accompanying financial statements at their fair values at the date of receipt. The Organization received \$13,270 and \$7,653 of in-kind contributions for the years ended June 30, 2025 and 2024, respectively.

The Organization also received \$9,085 of in-kind donated goods during the years ended June 30, 2025 in connection with an event. This amount has been included in special event revenues and expenses.

14. Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Restricted as to purpose	\$ <u>23,128</u>	\$ <u>3,268</u>

Net assets with donor restrictions of \$18,106 and \$5,401 were released during the years ended June 30, 2025 and 2024 when expenses were incurred to satisfy the restricted purposes specified by donors or time restrictions were met.

15. Liquidity and Availability of Financial Resources

The following table reflects the Organization's financial assets as of June 30, 2025 and 2024, respectively, reduced by amounts not available for general expenditures within one year.

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 338,401	\$ 159,815
Accounts receivable	730,861	349,631
Investments	<u>1,915,299</u>	<u>1,968,041</u>
Total financial assets	2,984,561	2,477,487
Less Board Designated Funds	<u>(1,672,301)</u>	<u>(1,512,184)</u>
Financial Assets Available to Meet Cash Needs for Expenditures Within One year	<u>\$ 1,312,260</u>	<u>\$ 965,303</u>

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities to be general expenditures.

NAPA VALLEY SUPPORT SERVICES

NOTES TO FINANCIAL STATEMENTS

15. Liquidity and Availability of Financial Resources - continued

The Organization manages its liquidity and reserves by operating within a prudent range of financial soundness and stability, and by maintaining adequate liquid assets to fund near-term operating needs. To manage liquidity, the Organization has two separate funds called the Business Service Account and the Principal Fund. The purpose of the Business Service Account is to hold a reserve of cash and near-cash assets to be used for general Organization purposes when needed. The purpose of the Principal Fund, a Board-Designated account, is (1) to meet Organization liquidity needs through loans to the general fund; (2) to provide a contingency reserve for possible use in emergencies; and (3) to advance the mission of the Organization when other sources of funds are not available. The Organization can draw upon the Principal Fund, with board approval, should additional resources be required to manage cash flow throughout the year. To achieve these targets, the Organization monitors its liquidity and its reserves annually.

16. Reclassifications

Certain amounts in the prior year have been reclassified to conform to the current year presentation. None of the reclassifications affected the total change in net assets reported in the financial statements for the year ended June 30, 2024.

17. Subsequent Events

The Organization evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through December 11, 2025, which is the date the financial statements were available to be issued.