

Domestic Violence Solutions for Santa Barbara County

(A California Nonprofit Organization)

INDEPENDENT AUDITOR'S REPORT
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Domestic Violence Solutions for Santa Barbara County

Opinion

We have audited the accompanying financial statements of Domestic Violence Solutions for Santa Barbara County (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities 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 Domestic Violence Solutions for Santa Barbara County as of June 30, 2025, 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 Domestic Violence Solutions for Santa Barbara County 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.

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 Domestic Violence Solutions for Santa Barbara County's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Report on Summarized Comparative Information

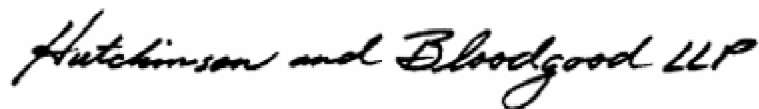
We have previously audited Domestic Violence Solutions for Santa Barbara County's 2024 financial statements, and their report dated March 30, 2025, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report March 19, 2026, on our consideration of Domestic Violence Solutions for Santa Barbara County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Domestic Violence Solutions for Santa Barbara County'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 Domestic Violence Solutions for Santa Barbara County's internal control over financial reporting and compliance.

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

Hutchinson and Bloodgood LLP
March 19, 2026
Santa Barbara, California

Domestic Violence Solutions for Santa Barbara County

Statement of Financial Position

June 30, 2025

(With Summarized Comparative Totals for 2024)

ASSETS	Without Donor Restrictions	With Donor Restrictions	Total	
			2025	2024
CURRENT ASSETS				
Cash and cash equivalents	\$ 296,926	\$ --	\$ 296,926	\$ 240,747
Accounts receivable	442,368	--	442,368	334,552
Deposits and prepaid expenses	102,609	--	102,609	108,313
TOTAL CURRENT ASSETS	841,903	--	841,903	683,612
NON CURRENT ASSETS				
Investments	1,435,222	--	1,435,222	1,563,515
Property and equipment, net	1,013,850	--	1,013,850	1,135,447
Interest in charitable remainder trust	--	69,719	69,719	65,302
Beneficial interest in assets held by others	--	2,317,311	2,317,311	2,076,556
TOTAL NON CURRENT ASSETS	2,449,072	2,387,030	4,836,102	4,840,820
TOTAL ASSETS	\$ 3,290,975	\$ 2,387,030	\$ 5,678,005	\$ 5,524,432
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 95,182	\$ --	\$ 95,182	\$ 87,183
Accrued payroll and related expenses	106,651	--	106,651	76,405
TOTAL CURRENT LIABILITIES	201,833	--	201,833	163,588
NON CURRENT LIABILITIES				
Security deposits	29,972	--	29,972	30,913
Note payable	430,000	--	430,000	430,000
TOTAL NON CURRENT LIABILITIES	459,972	--	459,972	460,913
NET ASSETS				
Without donor restrictions	2,629,170	--	2,629,170	2,758,072
With donor restrictions	--	2,387,030	2,387,030	2,141,859
TOTAL NET ASSETS	2,629,170	2,387,030	5,016,200	4,899,931
TOTAL LIABILITIES AND NET ASSETS	\$ 3,290,975	\$ 2,387,030	\$ 5,678,005	\$ 5,524,432

Domestic Violence Solutions for Santa Barbara County

Statement of Activities

Year ended June 30, 2025

(With Summarized Comparative Totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2025	2024
PUBLIC SUPPORT AND REVENUE				
PUBLIC SUPPORT				
Contributions and grants	\$ 222,427	\$ 268,597	\$ 491,024	\$ 321,366
In-kind donations	162,414	--	162,414	143,759
Net assets released from restrictions	268,597	(268,597)	--	--
Special events:				
Special events - gross	136,164	--	136,164	76,945
Direct special events costs	(83,603)	--	(83,603)	(34,885)
Net special events proceeds	52,561	--	52,561	42,060
TOTAL PUBLIC SUPPORT	705,999	--	705,999	507,185
REVENUE				
Government grants	1,578,891	--	1,578,891	1,398,438
Thrift shop royalties	45,092	--	45,092	48,342
Rental income	272,821	--	272,821	262,585
Court ordered fees	35,445	--	35,445	29,805
Training	9,879	--	9,879	12,138
Change in value of beneficial interest in assets held by others	--	240,754	240,754	212,646
Change in value of interest in charitable remainder trust	--	4,417	4,417	5,625
Investment income, net of investment expenses	122,902	--	122,902	133,294
Miscellaneous income	31,538	--	31,539	4,024
TOTAL REVENUE	2,096,568	245,171	2,341,740	2,106,897
TOTAL PUBLIC SUPPORT AND REVENUE	2,802,567	245,171	3,047,739	2,614,082
EXPENSES				
Program services	1,941,541	--	1,941,541	1,859,740
Management and general	737,434	--	737,434	761,418
Fundraising	252,494	--	252,494	246,276
TOTAL EXPENSES	2,931,469	--	2,931,469	2,867,434
INCREASE (DECREASE) IN NET ASSETS	(128,902)	245,171	116,270	(253,352)
NET ASSETS, BEGINNING OF YEAR	2,758,072	2,141,859	4,899,930	5,153,282
NET ASSETS, END OF YEAR	\$ 2,629,170	\$ 2,387,030	\$ 5,016,200	\$ 4,899,930

Domestic Violence Solutions for Santa Barbara County

Statement of Functional Expenses

Year ended June 30, 2025

(With Summarized Comparative Totals for 2024)

	Program Services	Management and General	Fundraising	Total	
				2025	2024
SALARIES AND BENEFITS					
Salaries and wages	\$ 1,124,582	\$ 122,524	\$ 130,518	\$ 1,377,624	\$ 1,333,887
Payroll taxes	83,797	8,253	9,653	101,703	99,448
Employee benefits	99,809	16,488	12,791	129,088	114,645
TOTAL SALARIES AND BENEFITS	1,308,188	147,265	152,962	1,608,415	1,547,980
OPERATING EXPENSES					
Office expenses	41,319	87,388	13,956	142,663	149,272
Occupancy	133,362	50,203	--	183,565	162,954
Occupancy (in-kind)	116,400	--	--	116,400	116,400
Supplies (in-kind)	--	--	26,664	26,664	8,009
Insurance	--	74,493	--	74,493	66,033
Imputed interest (in-kind)	--	19,350	--	19,350	19,350
Professional services	1,847	190,013	14,970	206,830	240,866
Transportation	27,226	15,443	2,876	45,545	39,258
Direct mailings	--	--	1,708	1,708	--
Advertising	--	443	12,491	12,934	20,776
Direct assistance	288,891	49	--	288,940	301,498
Miscellaneous	10,306	7,266	1,781	19,353	5,554
Conferences and training	2,725	3,032	2,279	8,036	17,391
Donor development	--	133	20,742	20,875	8,802
Supplies	10,937	--	--	10,937	12,782
Outreach and education	340	1,138	2,065	3,543	4,148
Special events - food or hospitality	--	--	41,343	41,343	17,181
Special events - facility rental	--	--	--	--	6,500
Special events - other services	--	--	42,260	42,260	11,204
TOTAL OPERATING EXPENSES	633,353	448,951	183,135	1,265,439	1,207,978
OTHER OPERATING EXPENSES					
Depreciation	--	141,218	--	141,218	146,361
TOTAL OTHER OPERATING EXPENSES	--	141,218	--	141,218	146,361
Less: Expenses included with revenues on the Statement of Activities					
Special events expenses	--	--	(83,603)	(83,603)	(34,885)
TOTAL EXPENSES	\$ 1,941,541	\$ 737,434	\$ 252,494	\$ 2,931,469	\$ 2,867,434

Domestic Violence Solutions for Santa Barbara County

Statement of Cash Flows

Year ended June 30, 2025

(With Summarized Comparative Totals for 2024)

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from unrestricted revenues and support, net	\$ 2,146,542	\$ 2,363,100
Cash received from temporarily restricted contributors	268,597	--
Investment income, net	46,789	57,472
Cash paid for salaries and related expenses, net	(1,578,169)	(1,550,298)
Cash paid for other operating costs, net	<u>(1,012,363)</u>	<u>(1,076,496)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(128,604)</u>	<u>(206,222)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment and building improvements	(19,624)	(35,568)
Proceeds from redemption/ sale of investments	884,412	841,755
Purchase of investments	<u>(680,005)</u>	<u>(652,074)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>184,783</u>	<u>154,113</u>
NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS	56,179	(52,109)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>240,747</u>	<u>292,856</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 296,926</u>	<u>\$ 240,747</u>
RECONCILIATION OF NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 116,270	\$ (253,352)
Adjustments to reconcile increase (decrease) in net assets to net cash used by operating activities		
Depreciation	141,218	146,361
Realized gain on investments	--	3,506
Unrealized gain on investments	(76,113)	(75,822)
Increase in value of charitable remainder trusts	(4,417)	(5,625)
Increase in value of beneficial interest in assets held by others	(240,754)	(212,646)
(Increase) decrease in:		
Accounts receivable	(107,816)	226,334
Deposits and prepaid expenses	5,704	(22,721)
Increase (decrease) in:		
Accounts payable	7,999	(9,127)
Accrued payroll and related expenses	30,246	(2,318)
Security deposits	<u>(941)</u>	<u>(812)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (128,604)</u>	<u>\$ (206,222)</u>

Domestic Violence Solutions for Santa Barbara County

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for 2024)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Domestic Violence Solutions for Santa Barbara County (the "Organization") is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and have been consistently applied in the preparation of the financial statements.

Nature of Activities: The Organization is a California non-profit public benefit corporation dedicated to ending the intergenerational cycle of domestic violence by providing prevention and intervention services and by challenging society's attitudes, beliefs and behaviors to effect social change. Incorporated March 30, 1980, the Organization operates three emergency shelters, a transitional housing site, county-wide teen services, and a full range of counseling and support services for men, women, and children. Services include a 24-hour crisis support line, a Domestic Violence Emergency Response Team ("DVRT"), which works alongside law enforcement at the scene of a domestic violence crisis, and a 40-hour domestic violence education training program.

Financial Statement Presentation: Information regarding Organization's financial position and activities are based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions that may be expended for any purpose in performing the primary objectives of the Organization.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are permanent in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction is met, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash and Cash Equivalents: For purposes of the statement of cash flows, cash and cash equivalents consists of cash on hand, and cash in banks.

Revenue Recognition: Generally accepted accounting principles require the Organization to differentiate between exchange transactions and contributions. Due to the nature of the governmental grants, the Organization has determined funds received under governmental grants to be exchange transactions. Accordingly, the Organization recognizes these governmental grants as earned revenue as those costs are incurred and subsequently invoiced to the appropriate government agency. Amounts due at year end are recorded in accounts receivable.

Domestic Violence Solutions for Santa Barbara County

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for 2024)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued): Rental income is recognized as rents become due and consists of income from the Second Stage facility. The facility provides Section 8 housing to 15 domestic violence victims and their families.

Contributions and Grants: Contributions are recorded at their fair value on the date of donation. All contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions.

In-kind Contributions: Numerous volunteers give their time and expertise to the Organization in a wide variety of areas to further its program and objectives. In accordance with GAAP, this contribution, despite its considerable value to the mission of the Organization, is not reflected in the financial statements. Donated rents and program related materials are reflected as contributions in the accompanying statements at their estimated fair market values at the date of receipt. In-kind interest is calculated using an imputed interest rate of 4.5%.

Functional Expenses: The Organization allocates its expenses on a functional basis among its various program and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their expenditure classification. Other expenses that are common to several functions are allocated by square footage utilized by the respective function.

Uncertain Tax Positions: Financial Accounting Standards Board's ASC 740-10, *Accounting for Uncertainty in Income Taxes*, prescribes a threshold for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Organization files tax returns in the U.S. federal jurisdiction and in the state of California. The Organization's tax returns from the year 2021 to the present remain subject to examination by the IRS for federal tax purposes, and the tax years from 2020 to the present remain subject to examination by the state of California. Management has evaluated its tax positions for all jurisdictions in which the statute of limitations remains open and has determined that the Organization had taken no uncertain tax positions that require adjustment to the financial statements. The Organization had no unrecognized tax benefits related to tax positions taken during the year ended June 30, 2025 or for prior periods.

Tax Exempt Status: The Organization is an exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and Section 23701(d) of the California Revenue and Taxation Code and is considered a public charity.

Domestic Violence Solutions for Santa Barbara County

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for 2024)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements: The Organization follows Accounting Standard Codification (ASC) No. 820, *Fair Value Measurements and Disclosures*, issued by the Financial Accounting Standards Board (FASB). This standard defines fair value, establishes a framework for measuring fair value, and requires certain disclosures about fair value measurements. Pursuant to ASC No. 820, assets and liabilities recorded at fair value are categorized based upon the level of judgment associated with the inputs used to measure fair value. ASC No. 820 establishes a three-level fair value hierarchy that describes the inputs that are used to measure the fair values of respective assets and liabilities:

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2 – Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment, estimation, or other unobservable inputs.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value on a recurring basis.

Cash: Valued at face value. (Level 1)

Mutual and exchange traded funds: Valued utilizing quoted prices available in active markets for identical investments as of the reporting date. (Level 1)

Fixed income treasuries and corporate bonds: Valued utilizing benchmark yields, reported trades or broker dealer quotes. (Level 2)

Interest in charitable remainder trust: Valued using life expectancy and discount factors obtained from external sources. (Level 2)

Interest in assets held by others: Value is based on Net Asset Value (NAV) per the most recent audited financial statements and interim information provided by the fund manager. The Organization does not have the ability to control or direct the assets held by others and the income and principal is subject to certain restrictions on redemption. (Level 2)

Domestic Violence Solutions for Santa Barbara County

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for 2024)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment: Property and equipment are stated at cost or, if acquired by gift, at the fair market value at the date of donation. Expenditures for building improvements and major renewals in excess of \$5,000 that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to operations as incurred. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Buildings and improvements	15-20 years
Furniture and equipment	5-7 years
Computers, software, and vehicles	3-5 years

Use of Estimates: Financial statements prepared in accordance with GAAP require management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Leases: The Organization adopted Financial Accounting Standard Board (FASB) Accounting Standard codification (ASC 842), *Leases*, with a date of initial application of July 1, 2022. For leases with a lease term greater than one year, the Organization recognizes a lease asset for its right to use the underlying leased asset and a lease liability for the corresponding lease obligation. The Organization determines whether an arrangement is or contains a lease at contract inception.

Operating lease right-of-use assets and operating lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. In determining the present value of lease payments, the Organization uses a risk-free rate of a period comparable with that of the lease term.

The Organization considers the lease term to be the noncancelable period that it has the right to use the underlying asset, including all periods covered by an option to (1) extend the lease if the Organization is reasonably certain to exercise the option, (2) terminate the lease if the Organization is reasonably certain not to exercise that option, and (3) extend, or not to terminate, the lease in which exercise of the option is controlled by the lessor.

Operating leases with a duration greater than one year are required to be included in operating lease right-of-use assets, current portion operating lease liabilities, and operating lease liabilities, net of current portion in the Organization's statement of financial position. As of June 30, 2025, the Organization did not have any leases required to be accounted for under ASC 842.

Domestic Violence Solutions for Santa Barbara County

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for 2024)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events: Management has evaluated subsequent events through March 19, 2026, the date that the financial statements were available to be issued.

NOTE 2. AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following as of June 30, 2025:

Cash and cash equivalents	\$	296,926
Accounts receivable		<u>442,368</u>
	\$	<u><u>739,294</u></u>

Additional funds are are expected to be received from governmental grants, contributions, investment income, rental income, and royalties. These funds combined with the available funds are expected to meet the amounts needed to fund the operations of the Organization for the fiscal year ending June 30, 2026.

NOTE 3. ACCOUNTS AND GRANTS RECEIVABLE

Accounts receivable consist primarily of amounts due from government agencies related to governmental grants. The amounts considered fully collectible within one year and therefore no present value discounts or allowances for uncollectible receivables or credit losses have been recorded.

Domestic Violence Solutions for Santa Barbara County

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for 2024)

NOTE 4. INVESTMENTS

At June 30, 2025, investments consist of the following:

<u>June 30, 2025</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Excess (Deficit) of Fair Value Over Cost</u>
Cash and cash equivalents	\$ 28,547	\$ 28,547	\$ --
Exchange traded funds			
U.S. equity	388,121	535,410	147,289
Foreign equity	83,370	101,993	18,623
Fixed income	773,466	757,053	(16,413)
Other	<u>12,216</u>	<u>12,219</u>	<u>3</u>
Totals	<u>\$ 1,285,720</u>	<u>\$ 1,435,222</u>	<u>\$ 149,502</u>

At June 30, 2024, investments consist of the following:

<u>June 30, 2024</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Excess (Deficit) of Fair Value Over Cost</u>
Cash and cash equivalents	\$ 18,528	\$ 18,528	\$ --
Exchange traded funds			
U.S. equity	373,638	462,932	89,294
Foreign equity	83,370	88,375	5,005
Fixed income	227,374	204,806	(22,568)
Other	12,216	11,419	(797)
Fixed Income			
Corporate	210,000	209,626	(374)
U.S. Treasuries	<u>565,000</u>	<u>567,829</u>	<u>2,829</u>
Totals	<u>\$ 1,490,126</u>	<u>\$ 1,563,515</u>	<u>\$ 73,389</u>

Investment income (loss) for the years ended June 30, 2025 and 2024 consists of the following:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 49,918	\$ 72,777
Net realized loss	--	(3,506)
Net unrealized gain	<u>76,113</u>	<u>75,822</u>
	126,031	145,093
Less investment fees	<u>(3,129)</u>	<u>(11,799)</u>
Total investment income	<u>\$ 122,902</u>	<u>\$ 133,294</u>

Domestic Violence Solutions for Santa Barbara County

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for 2024)

NOTE 5. FAIR VALUE MEASUREMENTS

The following sets forth by level, within the fair value hierarchy, the Organization's assets measured at fair value as of June 30, 2025 and 2024:

June 30, 2025	Fair Value (Level 1)	Fair Value (Level 2)	Fair Value (Level 3)
Santa Barbara Foundation			
Endowment Fund	\$ --	\$ 2,317,311	\$ --
Cash and cash equivalents	28,547	--	--
Exchange traded funds -			
U.S. equity	535,410	--	--
Foreign equity	101,993	--	--
Fixed income	757,053	--	--
Other	12,219	--	--
Interest in charitable remainder trust	--	69,719	--
	<u>\$ 1,435,222</u>	<u>\$ 2,387,030</u>	<u>\$ --</u>
June 30, 2024	Fair Value (Level 1)	Fair Value (Level 2)	Fair Value (Level 3)
Santa Barbara Foundation			
Endowment Fund	\$ --	\$ 2,076,556	\$ --
Cash and cash equivalents	18,528	--	--
Exchange traded funds -			
U.S. equity	462,932	--	--
Foreign equity	88,375	--	--
Fixed income	204,806	--	--
Other	11,419	--	--
Fixed income -			
Corporate	--	567,829	--
U.S. treasuries	--	209,626	--
Interest in charitable remainder trust	--	65,302	--
	<u>\$ 786,060</u>	<u>\$ 2,919,313</u>	<u>\$ --</u>

Domestic Violence Solutions for Santa Barbara County

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for 2024)

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Land	\$ 408,732	\$ 408,732
Buildings and improvements	3,554,455	3,534,834
Furniture and equipment	335,281	335,281
Vehicles	<u>205,592</u>	<u>205,592</u>
	4,504,060	4,484,439
Less accumulated depreciation	<u>(3,490,210)</u>	<u>(3,348,992)</u>
Net book value	<u>\$ 1,013,850</u>	<u>\$ 1,135,447</u>

Depreciation expense related to property and equipment for the years ended June 30, 2025 and 2024, was \$141,218 and \$146,361, respectively.

NOTE 7. INTEREST IN CHARITABLE REMAINDER TRUST

The Organization has been named as a residual beneficiary in a charitable remainder trust (CRT) restricted for the endowment. The CRT was initially recorded as a permanently restricted contribution and an asset equivalent to the present value of the trust assets and estimated future income net of the present value of estimated future payouts to the income beneficiaries. The interest in CRT is adjusted to approximate fair market value based upon the most recent information filed by the trust which is available to the Organization. The present value of the estimated future value of assets to be received by the Organization is calculated using the government annuity tables and a discount rate based on the Organization's historic risk-free rate of return currently estimated at 6%. The changes in value of the CRT were \$4,417 and \$5,625 for the years ended June 30, 2025 and 2024, respectively.

NOTE 8. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Organization has a beneficiary interest in the Santa Barbara Foundation Endowment Fund (the "Fund") under an Agency Fund Agreement (the "Fund Agreement"). The Fund attempts to provide stable capital appreciation on a total return basis. Assets of the Fund are fully exposed to market risks and may experience market volatility and principal loss. The beneficial interest in the Fund is reported by the Organization at the estimated fair market value which is based on the reported net asset value of the Fund as reported by the Santa Barbara Foundation. At June 30, 2025 and 2024, the estimated fair market value of the Organization's interest in the Fund was \$2,317,311 and \$2,076,556, respectively.

Domestic Violence Solutions for Santa Barbara County

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for 2024)

NOTE 8. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS (CONTINUED)

The Fund Agreement provides for the distribution of funds to be in accordance with the Santa Barbara Foundation's ("SBF") spending policy for its endowed funds and consistent with the applicable provisions of the California Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Fund Agreement allows SBF to seek the Organization's advice concerning the timing and amounts of extraordinary distributions from the Fund to the Organization, however, the funding of any extraordinary distribution is at the SBF's sole discretion. Annually SBF makes distributions from the Fund based on its spending policy available to the Organization. The Organization has the option to request a lesser distribution amount. For the years ended June 30, 2025 and 2024, there were no distributions.

NOTE 9. NOTE PAYABLE

Note payable consists of mortgage secured by a first trust deed on second stage transitional housing building and rent income from the building, payable to the Successor Redevelopment Agency, City of Santa Barbara. The note is non-interest bearing, with unpaid principal due October 2039 (Note 12). There are no principal payments due until October 2039.

Total imputed interest for the non-interest-bearing note payable for the years ended June 30, 2025 and 2024, was each year. Imputed interest rate on the note is 4.5%.

NOTE 10. CONCENTRATIONS AND RISKS

Concentrations: A significant portion of the Organization's revenues come from governmental grants. Approximately 56% of the total public support and revenues was derived from three governmental grants with The California Governor's Office of Emergency Services during the year ended June 30, 2025. Individual donors come primarily from Santa Barbara County, as do the clients of the Organization.

Credit Risk: The Organization maintains bank accounts at four financial institutions. Deposits at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization's uninsured cash balances at June 30, 2025 and 2024 was \$12,606 and \$0, respectively.

Market Risk: The Organization holds its endowment and investments in diversified funds managed by the Santa Barbara Foundation and Channel Wealth. These investments are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

Domestic Violence Solutions for Santa Barbara County

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for 2024)

NOTE 11. LEASES

The Organization leases facilities in an unincorporated area within Santa Barbara County, California under a conditional lease agreement restricted by purpose and use through August 2040, requiring monthly installments for utilities and maintenance of \$300. The facility is used as an emergency shelter. The estimated fair value of the in-kind rent is reflected as in-kind donation revenue and associated occupancy expense. The estimated value, totaling \$116,400 annually for the years ended June 30, 2025 and 2024, is based upon prevailing rates per square foot for similar facilities.

NOTE 12. TRANSITIONAL HOUSING

In September 1993, the Organization purchased an apartment building in Santa Barbara County to be used for transitional housing. \$430,000 of the purchase price was provided by a grant from the U.S. Department of Housing and Urban Development in the form of a loan at 4.5% per annum with no maturity date where payments were due only to the extent there was sufficient positive cash flow. In October 2007, the grant was amended to forgive all of the accrued interest, the interest rate was reduced to 0% per annum, and maturity date of October 22, 2039 where all principal and interest will be due. (Note 9)

NOTE 13. ENDOWMENT FUNDS

Interpretation of Relevant Law: The Board of Trustees have interpreted the California adopted Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring a long-term investment strategy designed to preserve the fair value of the original gift, as of the gift date. As a result of this interpretation, the Organization has classified as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment funds that is not classified in permanently restricted net assets are classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard for prudence prescribed by UPMIFA.

Domestic Violence Solutions for Santa Barbara County

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for 2024)

NOTE 13. ENDOWMENT FUNDS (CONTINUED)

In accordance with California UPMIFA, the organization considers the following factors in making a determination to appropriate or invest donor-restricted endowment funds:

- 1) The duration and preservation of the funds
- 2) The purposes of the Organization and the donor-restricted endowment funds
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return and the appreciation of investments
- 6) Other resources of the Organization
- 7) The investment policies of the Organization

Investment Return Objectives, Risk Parameters, and Strategies: The Board approved and adopted investment and spending policies for the endowment assets. The objective of the investment policy is to provide adequate returns to meet the spending needs of the Organization while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return which exceeds the annual distribution with acceptable levels of risk. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to avoid exposing the Organization to unacceptable levels of risk.

Endowment assets are invested with the Santa Barbara Foundation which has a well-diversified asset mix, which includes a variety of equity and debt securities.

Spending Policy: The Organization's endowment has been established for general operating purposes. The Organization's spending policy allows annual net income distributions from the beneficiary interest in assets held by others at its discretion.

In establishing this policy, the Organization considered the funding needs of the Organization as well as the goal of protecting the purchasing power of endowment assets over the long-term. Distributions are minimized in order to allow funds to grow at a rate that will be commensurate with inflation while maintaining the corpus of the original and new gifts that are received.

Domestic Violence Solutions for Santa Barbara County

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for 2024)

NOTE 13. ENDOWMENT FUNDS (CONTINUED)

As of June 30, 2025 and 2024, changes in endowment net assets consist of the following:

June 30, 2025	Original Gift	With Donor Restrictions		Total Net Assets
		Accumulated Earnings	Interest in Charitable Remainder Trust	
Beginning endowment net assets	\$ 1,288,700	\$ 787,857	\$ 65,302	\$ 2,141,859
Investment returns	--	240,754	4,417	245,171
Appropriation of Endowment Assets for Expenditure	--	--	--	--
Ending endowment net assets	<u>\$ 1,288,700</u>	<u>\$ 1,028,611</u>	<u>\$ 69,719</u>	<u>\$ 2,387,030</u>

June 30, 2024	Original Gift	With Donor Restrictions		Total Net Assets
		Accumulated Earnings	Interest in Charitable Remainder Trust	
Beginning endowment net assets	\$ 1,288,700	\$ 575,211	\$ 59,677	\$ 1,923,588
Investment returns	--	212,646	5,625	218,271
Appropriation of Endowment Assets for Expenditure	--	--	--	--
Ending endowment net assets	<u>\$ 1,288,700</u>	<u>\$ 787,857</u>	<u>\$ 65,302</u>	<u>\$ 2,141,859</u>

NOTE 14. RETIREMENT PLAN

The Organization has adopted a 401(k) retirement plan and allows all employees the option to participate in a matching program for retirement benefits. The Organization matches 50% on up to 5% of elective deferrals for all employees who choose to participate. For the years ended June 30, 2025 and 2024, employer contributions to the plan totaled \$17,942 and \$18,107, respectively.

Domestic Violence Solutions for Santa Barbara County

Notes to Financial Statements

June 30, 2025

(With Summarized Comparative Totals for 2024)

NOTE 15. DONOR RESTRICTED NET ASSETS

Net assets with donor restrictions are for the following amounts at June 30:

	<u>2025</u>	<u>2024</u>
Net assets restricted for time or purpose:		
Accumulated endowment earnings	<u>\$ 1,028,611</u>	<u>\$ 787,857</u>
	<u>1,028,611</u>	<u>787,857</u>
Net assets restricted for endowment:		
Interest in charitable remainder trust	69,719	65,302
Beneficial interest in assets held by others	<u>1,288,700</u>	<u>1,288,700</u>
	<u>1,358,419</u>	<u>1,354,002</u>
 Total donor restricted net assets	 <u><u>\$ 2,387,030</u></u>	 <u><u>\$ 2,141,859</u></u>

NOTE 16. CASH FLOW INFORMATION

The Organization had non cash transactions consisting of the following for the years ended June 30:

	<u>2025</u>	<u>2024</u>
In-kind donation of goods	<u>\$ 26,664</u>	<u>\$ 8,009</u>
In-kind donation of rent	116,400	116,400
In-kind donation of interest	<u>19,350</u>	<u>19,350</u>
Total in-kind donations	<u><u>\$ 162,414</u></u>	<u><u>\$ 143,759</u></u>

SUPPLEMENTARY INFORMATION

Domestic Violence Solutions for Santa Barbara County

Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2025

Federal Grantor / Program Title	Assistance Listing Number	Pass-Through Agency	Direct	Pass Through Awards	Total
U.S. DEPARTMENT OF JUSTICE					
Domestic Violence Assistance Program (VOCA)	16.575	California Governor's Office of Emergency Services	\$ --	\$ 519,957	\$ 519,957
Transitional Housing Program (VOCA)	16.575	California Governor's Office of Emergency Services	--	404,465	404,465
Domestic Violence Housing First Program	16.575	California Governor's Office of Emergency Services	--	<u>349,930</u>	<u>349,930</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			--	<u>1,274,352</u>	<u>1,274,352</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Community Development Block Grant	14.218	City of Santa Barbara	--	31,870	31,870
Continuum of Care Program	14.267	County of Santa Barbara	--	<u>160,168</u>	<u>160,168</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			--	<u>192,038</u>	<u>192,038</u>
TOTAL EXPENDITURE OF FEDERAL AWARDS			<u>\$ --</u>	<u>\$ 1,466,390</u>	<u>\$ 1,466,390</u>

Domestic Violence Solutions for Santa Barbara County

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the Federal award activity of Domestic Violence Solutions for Santa Barbara County (the "Organization"), under programs of the federal government for the year ended June 30, 2025, 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, activities, or cash flows of the Organization.

NOTE 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 Uniform Guidance*, wherein certain types of expenditures are not allowed or are limited as a reimbursement. The Organization has not elected to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

*Such expenditures are recognized following, as applicable, either the cost principles in *OMB Circular A-122 Cost Principles for Non-Profit Organizations*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*.

OTHER AUDITOR'S REPORTS

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 Trustees of
Domestic Violence Solutions for Santa Barbara County

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 Domestic Violence Solutions for Santa Barbara County (a nonprofit organization), which comprise of the statement of financial position as of June 30, 2025, and the related statement of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 19, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Domestic Violence Solutions for Santa Barbara County'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 Domestic Violence Solutions for Santa Barbara County's internal control. Accordingly, we do not express an opinion on the effectiveness of Domestic Violence Solutions for Santa Barbara County'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.

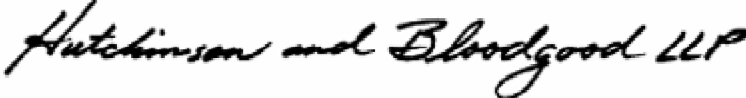
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not 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 Domestic Violence Solutions for Santa Barbara County'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 Domestic Violence Solutions for Santa Barbara County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Hutchinson and Bloodgood LLP

March 19, 2026

Santa Barbara, California



YOUR PARTNER FOR SUCCESS
SINCE 1922

(805) 963-1837
200 E. Carrillo St., Suite 303
Santa Barbara, CA 93101

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 Trustees of
Domestic Violence Solutions for Santa Barbara County

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Domestic Violence Solutions for Santa Barbara County'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 Domestic Violence Solutions for Santa Barbara County's major federal programs for the year ended June 30, 2025. Domestic Violence Solutions for Santa Barbara County'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 Domestic Violence Solutions for Santa Barbara County 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, 2025.

Basis of 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 of 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 Domestic Violence Solutions for Santa Barbara County 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 Domestic Violence Solutions for Santa Barbara County'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 Domestic Violence Solutions for Santa Barbara County'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 Domestic Violence Solutions for Santa Barbara County'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 Domestic Violence Solutions for Santa Barbara County'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 Domestic Violence Solutions for Santa Barbara County'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 Domestic Violence Solutions for Santa Barbara County'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 Domestic Violence Solutions for Santa Barbara County's internal control over compliance. Accordingly, no such opinion is expressed.

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

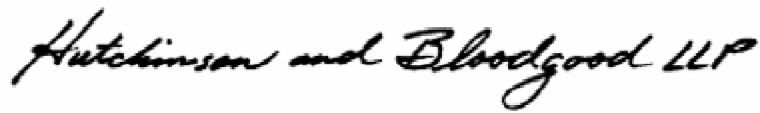
Report on Internal Control over Compliance

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

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

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

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

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Hutchinson and Bloodgood LLP
March 19, 2026
Santa Barbara, California

Domestic Violence Solutions for Santa Barbara County

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

SECTION 1. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal Control over major programs:	
Material weakness identified?	No
Significant deficiencies identified?	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 Section 200.516(a) of the Uniform Guidance?	No

Identification of major programs:

Assistance Listing Number	Program Name	
16.575	Crime Victim Assistance	
	Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
	Auditee qualified as a low-risk auditee?	No

SECTION 2. FINANCIAL STATEMENT FINDINGS

None reported.

SECTION 3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

Financial Statement Findings

None reported.

Federal Awards Findings

None reported.