NEW BEGINNINGS

Financial Statements and Reports and Schedules in Accordance with
Government Auditing Standards and Required by the Uniform Guidance
December 31, 2024 and 2023

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GREENWOOD OHLUND

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
New Beginnings
Seattle, Washington

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of New Beginnings (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, 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 New Beginnings as of December 31, 2024 and 2023, 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 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 New Beginnings 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 opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about New Beginnings' 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.

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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 New Beginnings' 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 New Beginnings' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2025, on our consideration of New Beginnings' 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 New Beginnings' 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 New Beginnings' internal control over financial reporting and compliance.

Greenwood Ohlund

Seattle, Washington
September 25, 2025

NEW BEGINNINGS

STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

ASSETS	2024	2023
Current Assets		
Cash and cash equivalents	$ 749,345	$ 244,310
Restricted cash and cash equivalents	10,000	10,000
Investments	864,055	729,537
Government grants receivable	607,488	937,866
Prepaid expenses and other assets	95,954	93,348
Total current assets	2,326,842	2,015,061
Restricted Cash and Cash Equivalents, net of current portion	194,060	192,244
Property and Equipment, net	1,638,115	1,787,422
Total assets	$ 4,159,017	$ 3,994,727
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 116,195	$ 120,228
Accrued payroll and related expenses	418,245	300,502
Current portion of forgivable notes payable	29,503	29,502
Line of credit	500,000	-
Total current liabilities	1,063,943	450,232
Accrued Interest	194,141	197,454
Forgivable Notes Payable, net of current portion	1,418,051	1,447,555
Total liabilities	2,676,135	2,095,241
Net Assets		
Without donor restrictions	1,363,027	1,864,733
With donor restrictions	119,855	34,753
Total net assets	1,482,882	1,899,486
Total liabilities and net assets	$ 4,159,017	$ 3,994,727

See accompanying notes to financial statements.

NEW BEGINNINGS

STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Government grants	$ 4,941,638	$ -	$ 4,941,638	$ 4,112,226	$ -	$ 4,112,226
Contributions	967,151	97,000	1,064,151	1,083,967	30,000	1,113,967
Investment return	93,572	-	93,572	142,900	-	142,900
Other income	18,023	-	18,023	15,773	-	15,773
Net assets released from restrictions	11,898	(11,898)	-	35,247	(35,247)	-
Total support and revenue	6,032,282	85,102	6,117,384	5,390,113	(5,247)	5,384,866
Expenses						
Program services	5,670,215	-	5,670,215	4,995,851	-	4,995,851
Management and general	517,854	-	517,854	665,506	-	665,506
Fundraising	345,919	-	345,919	425,635	-	425,635
Total expenses	6,533,988	-	6,533,988	6,086,992	-	6,086,992
Change in net assets	**(501,706)**	**85,102**	**(416,604)**	**(696,879)**	**(5,247)**	**(702,126)**
Net Assets, beginning of year	1,864,733	34,753	1,899,486	2,561,612	40,000	2,601,612
Net Assets, end of year	$ 1,363,027	$ 119,855	$ 1,482,882	$ 1,864,733	$ 34,753	$ 1,899,486

See accompanying notes to financial statements.

NEW BEGINNINGS

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2024

	Program Services							
	King County Helpline	Community Advocacy	Social Change	Home Safe	Total Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 1,213,486	$ 901,789	$ 198,900	$ 1,131,912	$ 3,446,087	$ 185,601	$ 186,128	$ 3,817,816
Payroll taxes	125,955	82,506	20,033	104,548	333,042	39,735	28,396	401,173
Employee benefits	99,691	69,493	16,484	66,703	252,371	26,260	20,881	299,512
Total payroll expenses	1,439,132	1,053,788	235,417	1,303,163	4,031,500	251,596	235,405	4,518,501
Special assistance to individuals	659	322,040	-	394,626	717,325	277	6,397	723,999
Professional services	58,840	66,821	8,514	39,427	173,602	172,186	23,134	368,922
Occupancy	32,882	37,343	9,152	137,432	216,809	32,204	6,727	255,740
Communications	30,564	28,151	6,228	36,316	101,259	6,991	5,546	113,796
Information technology	48,287	4,934	1,206	21,211	75,638	18,642	10,949	105,229
Supplies	104	4,551	4,974	46,651	56,280	2,064	5,693	64,037
Insurance	11,217	12,535	1,918	12,292	37,962	1,947	2,099	42,008
Staff education and training	987	16,950	453	13,774	32,164	2,490	2,801	37,455
Taxes, permits, licenses, and service charges	148	950	30	2,420	3,548	10,759	8,160	22,467
Printing	-	-	91	-	91	-	21,864	21,955
Advertising and promotion	227	444	675	11,376	12,722	230	306	13,258
Miscellaneous	316	696	21	3,084	4,117	2,536	2,083	8,736
Transportation	518	1,177	1,677	3,801	7,173	75	231	7,479
Equipment, repairs, and maintenance	105	777	22	3,440	4,344	2,066	210	6,620
Postage	-	-	-	-	-	1,106	4,435	5,541
Dues and memberships	-	-	-	-	-	3,973	345	4,318
Events	-	-	-	-	-	-	141	141
Total expenses before depreciation	1,623,986	1,551,157	270,378	2,029,013	5,474,534	509,142	336,526	6,320,202
Depreciation	48,982	61,037	10,218	75,444	195,681	8,712	9,393	213,786
	$ 1,672,968	$ 1,612,194	$ 280,596	$ 2,104,457	$ 5,670,215	$ 517,854	$ 345,919	$ 6,533,988

See accompanying notes to financial statements.

NEW BEGINNINGS

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2023

	Program Services							
	King County Helpline	Community Advocacy	Social Change	Home Safe	Total Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 1,051,299	$ 775,638	$ 152,298	$ 842,220	$ 2,821,455	$ 219,497	$ 234,307	$ 3,275,259
Payroll taxes	115,550	72,578	16,170	75,029	279,327	56,321	27,824	363,472
Employee benefits	79,806	46,212	22,291	56,753	205,062	20,941	23,380	249,383
Total payroll expenses	1,246,655	894,428	190,759	974,002	3,305,844	296,759	285,511	3,888,114
Special assistance to individuals	4,288	380,616	1,350	435,666	821,920	783	4,924	827,627
Professional services	60,253	86,856	13,539	41,243	201,891	234,520	35,557	471,968
Occupancy	34,128	43,000	42,434	118,712	238,274	32,478	9,290	280,042
Communications	72,038	8,626	1,758	26,466	108,888	20,775	1,539	131,202
Information technology	32,668	1,558	267	1,734	36,227	18,762	9,656	64,645
Insurance	12,086	10,691	2,099	11,608	36,484	3,025	3,229	42,738
Printing	-	-	2,361	394	2,755	66	31,519	34,340
Equipment, repairs, and maintenance	442	67	883	3,053	4,445	14,922	393	19,760
Supplies	459	793	5,546	7,605	14,403	1,591	403	16,397
Advertising and promotion	2,673	1,308	-	754	4,735	5,723	558	11,016
Taxes, permits, licenses, and service charges	-	-	-	1,636	1,636	1,861	7,315	10,812
Miscellaneous	3	-	125	25	153	8,673	1,407	10,233
Postage	98	27	-	-	125	1,281	7,010	8,416
Events	-	-	-	-	-	-	8,157	8,157
Staff education and training	1,668	1,519	1,028	546	4,761	2,425	201	7,387
Transportation	82	693	1,516	3,496	5,787	542	205	6,534
Dues and memberships	-	104	-	500	604	4,162	445	5,211
Total expenses before depreciation	1,467,541	1,430,286	263,665	1,627,440	4,788,932	648,348	407,319	5,844,599
Depreciation	68,545	60,632	11,905	65,836	206,919	17,158	18,316	242,393
	$ 1,536,086	$ 1,490,918	$ 275,570	$ 1,693,276	$ 4,995,851	$ 665,506	$ 425,635	$ 6,086,992

See accompanying notes to financial statements.

NEW BEGINNINGS

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Cash received from donors	$ 6,306,664	$ 4,997,235
Cash received from interest and other	24,132	155,359
Cash paid to employees	(3,700,073)	(3,227,484)
Cash paid to vendors	(2,509,025)	(2,713,055)
Net cash flows from operating activities	121,698	(787,945)
Cash Flows from Investing Activities		
Proceeds from sales of investments	-	900,330
Purchases of investments	(50,368)	(39,408)
Purchase of property and equipment	(64,479)	(69,309)
Net cash flows from investing activities	(114,847)	791,613
Cash Flows from Financing Activities		
Proceeds from draws on line of credit	500,000	-
Repayments on line of credit	-	(500,000)
Net cash flows from financing activities	500,000	(500,000)
Net change in cash and cash equivalents	**506,851**	**(496,332)**
Cash and Cash Equivalents, beginning of year	446,554	942,886
Cash and Cash Equivalents, end of year	$ 953,405	$ 446,554
Cash and Cash Equivalents as Presented on the Statements of Financial Position		
Cash and cash equivalents	$ 749,345	$ 244,310
Restricted cash and cash equivalents	10,000	10,000
Restricted cash and cash equivalents, net of current portion	194,060	192,244
	$ 953,405	$ 446,554

See accompanying notes to financial statements.

Note 1 – Statement of Purpose and Summary of Significant Accounting Policies

Statement of Purpose

The mission of New Beginnings is to empower survivors and mobilize community awareness and action to end domestic violence. New Beginnings provides crisis support, safety planning, advocacy, information, and referrals to domestic violence survivors and their support systems through a 24-hour Help Line.

Survivors seeking in-person support are served by mobile advocates who can meet them in the community or at New Beginnings' office to provide support, legal advocacy, and children's services. Financial assistance is provided to survivors facing homelessness and to support them in overcoming a variety of barriers to independence and self-determination. Support groups, short-term mental health counseling, and therapy referrals are also available to New Beginnings' participants as part of its Community Advocacy Program.

Formerly known as the Transitional Housing (TH) program, the Home Safe program provides interim housing for survivors and their children who are fleeing domestic violence for stays of up to six months in fully furnished apartments. As part of this program, survivors receive the same array of services provided to Community Advocacy Program participants, plus housing placement support, financial planning services, and rental assistance. Services are designed to enable survivors to obtain safe, stable housing as quickly as possible, with supportive services continuing as needed once participants have moved to their new homes.

New Beginnings also provides education about domestic violence to the public, specialized training on domestic violence to professionals in the health, legal, faith, educational, and human service professions, and healthy relationships and prevention education to youth. Based in Seattle, Washington, New Beginnings primarily serves community members from the Seattle metro area.

New Beginnings is a Washington not-for-profit corporation.

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 certain reported amounts and disclosures. Actual results could differ from those estimates.

Fair Value Measurements

Fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels that prioritize the inputs used in measuring fair value as follows:

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

- Level 2: Observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and

- Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting and present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, the net assets of New Beginnings are reported in each of the following two classes: without donor restrictions and with donor restrictions.

Net assets without donor restrictions are available without restriction for support of New Beginnings' operations. The Board of Directors have designated certain net assets without donor restrictions for the following purposes at December 31:

	2024	2023
Operating reserve	$ 1,077,792	$ 1,579,498
Transitional replacement reserve	169,965	169,965
Transitional operating reserve	67,227	67,227
Shelter replacement reserve	45,403	45,403
Technology replacement reserve	2,640	2,640
	$ 1,363,027	$ 1,864,733

Net assets with donor restrictions consist of unexpended contributions restricted for particular purposes or time periods. Net assets with donor restrictions are transferred to net assets without donor restrictions as expenditures are incurred for the restricted purpose or as time restrictions are met. Contributions are recorded as increases in net assets depending on the existence and/or nature of any donor restrictions.

Net assets with donor restrictions consist of the following at December 31:

	2024	2023
Home Safe program	$ 60,000	$ -
Breaking the Cycle / Social Change	32,000	-
Survivor Leadership Council	13,830	13,830
Direct assistance	9,025	20,923
Strategic planning	5,000	-
	$ 119,855	$ 34,753

Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents consists of checking and money market accounts. On occasion, New Beginnings has balances in excess of federally insured limits.

Restricted cash and cash equivalents consists of amounts maintained in a separate bank account as required by loan documents from the City of Seattle. Under this agreement, New Beginnings must segregate project operating funds and establish TH/Home Safe program operating reserves and TH/Home Safe program replacement reserves for structural elements and other capital items. New Beginnings is permitted to spend $5,000 out of each of these reserve funds annually for the TH/Home Safe program without prior city approval of expenditures. These amounts are classified as current on the statements of financial position.

Investments

New Beginnings records its investments at fair value in the statements of financial position. The fair value measurement of the investments was determined using Level 1 observable market inputs within the fair value hierarchy. Investments consist of the following at December 31:

	2024	2023
World large stock funds	$ 213,644	$ 147,373
Large value equity funds	144,893	120,019
High yield municipal bond funds	143,555	119,126
Large growth equity funds	125,519	113,335
Municipal national intermediate bond funds	113,279	70,285
Large blend equity funds	60,541	73,920
World small/mid stock funds	41,510	39,252
Municipal national short bond funds	21,114	46,227
	$ 864,055	$ 729,537

Investment return consists of interest and dividends and realized and unrealized gains and losses, net of external investment fees.

Government Grants Receivable

Government grants receivable consist of grants and contracts administered by various local, state, and federal governmental agencies awarded and earned but not yet received. All grants receivable are expected to be collected in one year and are recorded at net realizable value. Management periodically reviews government grants receivable, estimates the amount of uncollectible accounts, and records a reserve for doubtful accounts (if required). Uncollectible accounts are written off against the reserve. An allowance for doubtful accounts was not considered necessary at December 31, 2024 or 2023.

At December 31, 2024 and 2023, 98% of government grants receivable was due from three agencies.

Property and Equipment

Property and equipment are recorded at cost when purchased and at estimated fair value when donated. Purchases and contributions of assets in excess of $1,500 with a useful life of more than one year are capitalized. All improvements and replacements of TH/Home Safe building components, flooring, and major appliances are capitalized, regardless of cost. Maintenance and repairs are expensed as incurred. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets.

Property and equipment consisted of the following at December 31, 2024:

	Transitional Housing	Greenwood	Total
Building and improvements	$ 3,738,683	$ 31,717	$ 3,770,400
Furniture and equipment	76,614	594,025	670,639
Vehicles	36,100	29,324	65,424
	3,851,397	655,066	4,506,463
Less: Accumulated depreciation	(2,571,026)	(545,305)	(3,116,331)
	1,280,371	109,761	1,390,132
Land	247,983	-	247,983
	$ 1,528,354	$ 109,761	$ 1,638,115

Property and equipment consisted of the following at December 31, 2023:

	Transitional Housing	Greenwood	Total
Building and improvements	$ 3,678,847	$ 31,717	$ 3,710,564
Furniture and equipment	75,282	594,025	669,307
Vehicles	36,100	29,324	65,424
	3,790,229	655,066	4,445,295
Less: Accumulated depreciation	(2,423,740)	(482,116)	(2,905,856)
	1,366,489	172,950	1,539,439
Land	247,983	-	247,983
	$ 1,614,472	$ 172,950	$ 1,787,422

Revenue Recognition

Revenue from government grants is recorded when the service is provided or when the conditions are met (generally when the related qualified expenditures are incurred). Government grants received before conditions are met are recognized as unearned revenue. Revenue from government agencies is subject to audit, which could result in adjustments to revenue. The adjustments are recorded at the time that such amounts can first be reasonably determined, normally upon notification by the government agency. During the years ended December 31, 2024 and 2023, no such adjustments were made.

For the years ended December 31, 2024 and 2023, 78% and 74%, respectively, of New Beginnings' support and revenue was earned from three agencies.

Contributions (including those from special events) are recorded when unconditionally pledged as increases in net assets without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Conditional contributions are recognized as revenue when the related conditions are met.

Conditional promises to give—that is, those with a measurable performance-related barrier or other measurable barrier and a right of return—are not recognized until the conditions on which they depend have been met. As of December 31, 2024, New Beginnings had approximately $700,000 of unearned conditional government grants and contributions outstanding. These promises are conditional upon New Beginnings achieving certain goals related to specific programs run by New Beginnings. Given the uncertainty of meeting the conditions, revenue was not recognized for these government grants and contributions during the year ended December 31, 2024.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. The direct allocation method has been used whenever possible. Certain costs have been indirectly allocated among the programs and supporting services benefited.

Salaries and wages, benefits, and payroll taxes are allocated according to timesheets; exceptions to this method are related to the Executive Director, Administrative Director, Accounting Director, and Technology Specialist, which are allocated based on estimated time and effort to various programs and activities. Certain office expenses, including information technology and professional liability insurance, are allocated according to the agency personnel full-time equivalent spread. Occupancy expenses, property insurance, and depreciation are allocated according to each physical site's personnel full-time equivalent spread.

Federal Income Taxes

New Beginnings is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Reclassification

Certain prior year balances have been reclassified to conform to the current year presentation.

Subsequent Events

New Beginnings has evaluated subsequent events through the date these financial statements were available to be issued, which was September 25, 2025.

Note 2 – Liquidity and Availability of Resources

New Beginnings regularly monitors liquidity required to meet its operating needs and other contractual commitments. Financial assets in excess of daily cash requirements are invested in a money market account and other short-term investments.

The following table reflects New Beginnings' financial assets as of December 31, 2024 and 2023, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal board designations.

	2024	2023
Financial assets		
Cash and cash equivalents	$ 953,405	$ 446,554
Investments	864,055	729,537
Government grants receivable	607,488	937,866
	2,424,948	2,113,957
Less: Amounts not available for general use within one year		
Restricted cash and cash equivalents	(204,060)	(202,244)
Net assets with donor restrictions	(119,855)	(34,753)
Net assets designated by the Board of Directors	(1,363,027)	(1,864,733)
	$ 738,006	$ 12,227

Amounts not available include an operating reserve fund designated by the Board of Directors, requiring New Beginnings to maintain a liquid asset reserve of approximately four to six months of its annual operating expenses, and other Board-designated reserve funds. The Executive Director is permitted to draw up to $50,000 from the Board-designated operating reserve for short-term (30 days or less) cash flow needs. In the event the need arises to utilize the Board-designated funds for liquidity purposes, the reserves could be drawn upon through Board resolution. Amounts not available to meet general expenditures within one year also include net assets with donor restrictions for purposes that are not directly associated with day-to-day operations and/or programs operated by New Beginnings.

New Beginnings plans to cover program and general operating expenses for 2025 through monthly cost reimbursements from government agencies, collections of cash receipts for pledged contributions, and ongoing fundraising efforts.

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Note 3 – Forgivable Notes Payable

All notes payable are forgivable as long as certain conditions are met. Notes payable consist of the following at December 31:

	2024	2023
Note payable to the City of Seattle, 1% interest, due in March 2037, with an option to extend an additional 35 years. Interest is accrued the first 20 years and forgiven during the last 20 years. If the extension is taken, the entire principal will be forgiven at maturity if the TH/Home Safe program continues.	$ 321,847	$ 328,651
Note payable to the City of Seattle, 1% interest, due in September 2059, with an option to extend an additional 25 years. Interest is accrued until 2059. If the extension is taken, the entire principal and interest will be forgiven at maturity if the TH/Home Safe program continues.	535,537	535,537
Note payable to the State of Washington Department of Community, Trade, and Economic Development, without interest, due in June 2050. Entire principal balance is forgiven at maturity if the TH/Home Safe program continues.	590,170	612,869
	1,447,554	1,477,057
Less: Current portion	(29,503)	(29,502)
	$ 1,418,051	$ 1,447,555

All notes are secured by the related Transitional Housing land and building with a net carrying value of $1,526,823 and $1,609,433 as of December 31, 2024 and 2023, respectively.

Interest expense for each of the years ended December 31, 2024 and 2023, was $5,355. There was no interest paid in cash during 2024 or 2023.

The loans were received for New Beginnings' TH/Home Safe project, which was completed in 1997, with additional amounts received in 2009 and 2010 for a remodel. New Beginnings will not have to pay back these loans provided that New Beginnings complies with the terms of use of the project, which requires programs to continue through the life of the loans. For the loan with the City of Seattle maturing in 2037 and the loan with the State of Washington maturing in 2050, New Beginnings is currently recording revenue from loan forgiveness on a straight-line basis based on its continuing compliance with the loan terms each year until the loans are completely forgiven. Loan forgiveness was recognized as grant revenue in the amount of $29,502 for each of the years ended December 31, 2024 and 2023.

Note 4 – Line of Credit

In 2022, New Beginnings opened a line of credit with a bank with a maximum borrowing capacity of $500,000. The line of credit is callable on demand, is secured by New Beginnings' investments account, and accrues interest at a variable rate determined as the one-month CME Group Secure Overnight Financing Rate plus 2.60%, resulting in a rate of 6.93% at December 31, 2024. New Beginnings had an outstanding balance of $500,000 and $0 on the line of credit at December 31, 2024 and 2023, respectively. Interest expense incurred on the line of credit totaled $9,367 and $12,927 during the years ended December 31, 2024 and 2023, respectively.

SUPPLEMENTAL REPORTS AND SCHEDULES IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* AND REQUIRED BY THE UNIFORM GUIDANCE

Amanda O'Rourke, CPA
Matt Smith, CPA
Claire Chow, CPA
Jason Mallon, CPA
Andrew Van Ness, CPA

GREENWOOD OHLUND

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
New Beginnings
Seattle, Washington

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 New Beginnings (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 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 September 25, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered New Beginnings' 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 New Beginnings' internal control. Accordingly, we do not express an opinion on the effectiveness of New Beginnings' 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 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 New Beginnings' 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*.

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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.

Greenwood Ohlund

Seattle, Washington
September 25, 2025

Amanda O'Rourke, CPA
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GREENWOOD OHLUND

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

To the Board of Directors
New Beginnings
Seattle, Washington

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited New Beginnings' 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 New Beginnings' major federal program for the year ended December 31, 2024. New Beginnings' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, New Beginnings complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

Basis for Opinion on the 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 New Beginnings 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 New Beginnings' 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 New Beginnings' 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 New Beginnings' 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.

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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 New Beginnings' compliance with the requirements of the 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 New Beginnings' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of New Beginnings' 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 New Beginnings' 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

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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a significant deficiency.

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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.

Government Auditing Standards requires the auditor to perform limited procedures on ABC Organization's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. ABC Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Greenwood Ohlund

Seattle, Washington
September 25, 2025

NEW BEGINNINGS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2024

Federal Grantor/Program Titles	Federal Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Housing and Urban Development				
Passed through King County Regional Homelessness Authority				
Continuum of Care	14.267	DA-202212-01325	$ 189,515	$ -
Continuum of Care	14.267	DA-202407-2966	243,813	-
Continuum of Care	14.267	DA-202212-01217	147,527	-
Continuum of Care	14.267	DA-202212-01215	570,098	-
Total Assistance Listing 14.267 and U.S. Department of Housing and Urban Development			1,150,953	-
U.S. Department of Justice				
Passed through Washington State Department of Social and Health Services				
Crime Victim Assistance	16.575	2312-48966	146,003	-
Crime Victim Assistance	16.575	2412-56746	126,055	-
Total Assistance Listing 16.575 and U.S. Department of Justice			272,058	-
U.S Department of Health and Human Services				
Passed through Washington State Department of Social and Health Services				
Family Violence Prevention and Services – COVID-19	93.671	2212-43480	44,760	-
Family Violence Prevention and Services	93.671	2312-48966	58,135	-
Family Violence Prevention and Services	93.671	2412-56746	24,033	-
Total Assistance Listing 93.671 and U.S. Department of Health and Human Services			126,928	-
Total Federal Expenditures			$ 1,549,939	$ -

The accompanying notes are an integral part of this schedule.

NEW BEGINNINGS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of New Beginnings under programs of the federal government for the year ended December 31, 2024. The information in the 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 New Beginnings, it is not intended to and does not present the financial position, changes in net assets, or cash flows of New Beginnings.

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 cost principles in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 – Indirect Cost Rate

New Beginnings has elected not to use the 10 percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

NEW BEGINNINGS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

A. Summary of Audit Results

Financial Statements	
Type of Auditors' report issued:	Unmodified
Internal Control over Financial Reporting	
Material weaknesses identified:	None reported
Significant deficiencies identified not considered to be material weaknesses:	None reported
Noncompliance material to financial statements noted:	None reported
Federal Awards	
Material weaknesses identified:	None reported
Significant deficiencies identified not considered to be material weaknesses:	Yes
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported:	Yes
Identification of Major Programs	
Program Title	Assistance Listing
Continuum of Care	14.267
Dollar threshold used to distinguish between Type A and B programs:	$ 750,000
Auditee qualified as low-risk auditee:	No

B. Findings – Financial Statement Audit None reported

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

C. Findings and Questioned Costs – Major Federal Award Programs Audit

2024-001: Internal Control over Special Tests and Provisions

Federal Agency:	U.S. Department of Housing and Urban Development
Assistance Listing Number:	14.267
Federal Program Name:	Continuum of Care
Pass-through Entity:	King County Regional Homelessness Authority
Pass-through Award Numbers:	DA-202212-01215

Criteria: Under 2 CFR 200.303(a), the non-federal entity must establish and maintain effective internal control over compliance with the special tests and provisions requirements of federal awards. When funds are used to pay for rent, the Continuum of Care program includes a requirement that recipients must determine that the rent paid is reasonable in relation to rents being charged in the area for comparable space.

Condition: Documentation of the rent reasonable determination could not be located for one of seven program participants selected for testing.

Cause and Context: The Organization had been dealing with staff turnover in late 2023 when this program participant initially applied for assistance and had not retained documentation of its determination of rent reasonableness.

Effect: Inadequate internal controls over requirements for special tests and provisions may result in the Organization incurring disallowed costs.

Questioned Costs: Documentation of the rent reasonableness determination had not been performed for costs totaling $3,935 during the year ended December 31, 2024.

Recommendation: We recommend that management verifies documentation of rent reasonableness verifications for all participants before rent payments are authorized.

Views of Responsible Officials: There is no disagreement with the finding.

NEW BEGINNINGS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2024

2023-001: Internal Control over Matching Requirements

Status: Corrected.

New Beginnings
ENDING DOMESTIC VIOLENCE

Single Audit Corrective Action Plan
For the Year Ended December 31, 2024

U.S. Department of Housing and Urban Development
451 7th Street, S.W.
Washington, DC 20410

Finding Reference Number: 2024-001 – Internal Control over Special Tests and Provisions

Description of Finding: Documentation of the rent reasonableness determination could not be located for one program participant.

Statement of Concurrence or Nonconcurrence: There is no disagreement with this finding.

Corrective Action: Going forward, management will incorporate rent reasonableness determination procedures into the purchase request form checklist for all payments for rent assistance.

Projected Completion Date: December 31, 2025

Name of Contact Person:
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