

SOMEPLACE SAFE

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Years Ended September 30, 2018 and 2017

SOMEPLACE SAFE

DIRECTORS AND MANAGEMENT

Lynn Nesland	Chairperson
Heather Brandborg	Vice Chairperson
Rhoda Smith	Secretary
Carol Jergenson	Treasurer
Kendall Churchill	Director
Ruth Grussing	Director
Mitch Johnsrud	Director
Lindsey Kalina	Director
Laura Nordstrom	Director
Alisa Odom	Director
Sheila Korby	Executive Director

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Someplace Safe
Fergus Falls, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of Someplace Safe (a nonprofit organization), which comprise the statements of financial position as of September 30, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements 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 the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2018 and 2017, 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.

Other Matters*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, on page 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2019, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



Fergus Falls, Minnesota
January 18, 2019

SOMEPLACE SAFE
STATEMENTS OF FINANCIAL POSITION
September 30, 2018 and 2017

ASSETS

	2018	2017
CURRENT ASSETS		
Cash and cash equivalents	\$ 624,795	\$ 459,376
Grants receivable	141,998	124,303
Other receivable	307	-
Unconditional promises to give	22,500	22,500
Prepaid expenses	13,007	5,317
Total Current Assets	802,607	611,496
PROPERTY AND EQUIPMENT		
Property and equipment	502,965	492,310
Accumulated depreciation	(195,076)	(165,630)
Property and Equipment, Net	307,889	326,680
OTHER ASSETS		
Security deposits	5,600	5,600
Goodwill, net	8,340	9,730
Other Assets, Net	13,940	15,330
TOTAL ASSETS	\$ 1,124,436	\$ 953,506

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 29,966	\$ 16,925
Accrued expenses and other liabilities	72,594	60,987
Program services	102,560	77,912
Support services		
NET ASSETS		
Unrestricted	1,021,876	874,594
Temporarily restricted	-	1,000
Total Net Assets	1,021,876	875,594
TOTAL LIABILITIES AND NET ASSETS	\$ 1,124,436	\$ 953,506

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

SOMEPLACE SAFE
STATEMENTS OF ACTIVITIES
For the Years Ended September 30, 2018 and 2017

	2018			2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS, AND OTHER SUPPORT						
State financial assistance	\$ 588,376	\$ -	\$ 588,376	\$ 429,623	\$ -	\$ 429,623
Federal financial assistance	904,356	-	904,356	936,272	-	936,272
United Way services	66,522	-	66,522	67,983	-	67,983
Thrift store sales	398,299	-	398,299	370,853	-	370,853
Other grants and contracts	146,916	-	146,916	42,225	-	42,225
Donations	149,672	-	149,672	169,699	1,000	170,699
Fines	29,409	-	29,409	26,887	-	26,887
Fundraising	82,573	-	82,573	92,202	-	92,202
Fees	88,588	-	88,588	79,940	-	79,940
Rent	2,640	-	2,640	4,980	-	4,980
Interest	931	-	931	526	-	526
Other revenue	8,217	-	8,217	13,891	-	13,891
Loss on disposal of property and equipment	-	-	-	(8,149)	-	(8,149)
Assets released from restrictions	1,000	(1,000)	-	10,000	(10,000)	-
Total Revenues, Gains, and Other Support	<u>2,467,499</u>	<u>(1,000)</u>	<u>2,466,499</u>	<u>2,236,932</u>	<u>(9,000)</u>	<u>2,227,932</u>
EXPENSES						
Program services	2,265,988	-	2,265,988	2,126,053	-	2,126,053
Support services						
General and administrative	28,888	-	28,888	61,941	-	61,941
Fundraising	25,341	-	25,341	25,462	-	25,462
Total Expenses	<u>2,320,217</u>	<u>-</u>	<u>2,320,217</u>	<u>2,213,456</u>	<u>-</u>	<u>2,213,456</u>
CHANGE IN NET ASSETS	147,282	(1,000)	146,282	23,476	(9,000)	14,476
NET ASSETS, BEGINNING OF YEAR	<u>874,594</u>	<u>1,000</u>	<u>875,594</u>	<u>851,118</u>	<u>10,000</u>	<u>861,118</u>
NET ASSETS, END OF YEAR	<u><u>\$ 1,021,876</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,021,876</u></u>	<u><u>\$ 874,594</u></u>	<u><u>\$ 1,000</u></u>	<u><u>\$ 875,594</u></u>

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

SOMEPLACE SAFE
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2018

	PROGRAM SERVICES								
	Otter Tail Outreach	Grant Outreach	Wilkin Outreach	Traverse Outreach	Pope Outreach	Stevens Outreach	Big Stone Outreach	Douglas Outreach	Wadena Outreach
Salaries	\$ 158,703	\$ 50,080	\$ 51,756	\$ 39,342	\$ 54,434	\$ 45,531	\$ 42,430	\$ 159,251	\$ 61,215
Payroll taxes and fringe benefits	44,704	8,284	11,877	10,941	16,607	12,369	13,104	40,900	13,076
Communications	6,991	2,374	2,129	2,103	2,153	1,749	1,181	4,917	2,185
Travel and meetings	5,100	1,342	1,333	1,925	1,919	2,337	2,456	3,145	2,399
Programming and supplies	147	-	-	-	15	15	15	45	15
Repairs and maintenance	758	105	7	254	17	209	8	7	7
Rent	16,498	2,902	4,927	2,777	11,377	77	4,627	9,796	5,027
Depreciation	-	-	-	-	-	-	-	-	-
Impairment of goodwill	-	-	-	-	-	-	-	-	-
Contracted services	4,923	1,231	1,231	1,231	1,231	1,231	1,231	3,747	1,286
Utilities	4,168	405	140	447	268	1,961	221	619	2,765
Insurance	2,852	728	728	728	728	728	728	1,872	728
Training	3,146	949	1,442	575	751	1,009	452	2,176	1,433
Printing and publications	2,556	453	453	399	453	453	442	1,700	756
Supplies	8,919	3,024	3,460	2,546	2,881	3,800	2,056	6,587	2,904
Postage	396	63	142	63	82	122	68	473	198
Equipment	-	-	-	-	-	-	-	456	-
Food and meals	181	112	56	24	85	212	24	413	55
Advertising	2,049	507	1,049	127	122	934	77	563	2,079
Hotels	-	-	-	-	-	420	-	-	375
Technical support	7,663	1,749	1,832	3,130	1,900	1,832	1,766	6,146	2,278
Miscellaneous	586	182	93	61	66	74	61	624	224
Client emergency needs	2,782	578	506	-	-	-	-	4,532	20
Program services	934	192	192	192	467	192	192	652	238
Support services	43	206	9	9	9	9	9	53	9
Advisory and task force committee	164	-	-	-	-	-	-	16	-
Fundraising	-	-	-	-	-	-	-	-	-
TOTAL	<u>\$ 274,263</u>	<u>\$ 75,466</u>	<u>\$ 83,362</u>	<u>\$ 66,874</u>	<u>\$ 95,565</u>	<u>\$ 75,264</u>	<u>\$ 71,148</u>	<u>\$ 248,690</u>	<u>\$ 99,272</u>

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

SOMEPLACE SAFE
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2018

	PROGRAM SERVICES						SUPPORT SERVICES		Total
	Crime Victim Services	Parenting Time Center	DHC Safe Harbors	Development	Thrift Stores	Other Program Services	General and Administrative	Fundraising	
Salaries	\$ 51,459	\$ 147,030	\$ 50,519	\$ 55,665	\$ 211,403	\$ 58,550	\$ 2,018	\$ -	\$ 1,239,387
Payroll taxes and fringe benefits	14,263	23,558	14,915	10,975	34,068	11,560	250	-	281,454
Communications	1,506	8,480	1,735	3,457	4,964	1,469	-	-	47,388
Travel and meetings	10,201	3,405	10,453	2,031	3,927	11,013	-	-	62,986
Programming and supplies	-	-	-	45	30	-	-	-	327
Repairs and maintenance	-	4,328	125	-	757	67	15	-	6,664
Rent	154	5,306	77	77	73,158	2,597	-	-	139,377
Depreciation	-	13,231	-	-	-	-	26,386	-	39,617
Amortization	-	-	-	-	1,390	-	-	-	1,390
Contracted services	2,461	4,702	1,305	1,397	8,909	29,425	-	-	65,539
Utilities	48	13,716	644	25	23,097	584	-	-	49,110
Insurance	1,453	2,674	714	764	5,171	714	183	-	21,488
Training	1,828	3,382	6,539	2,379	2,504	2,111	-	-	30,677
Printing and publications	948	1,784	1,323	10,098	2,303	1,316	-	-	25,437
Supplies	1,861	14,346	3,442	3,667	11,001	8,167	39	-	73,697
Postage	126	311	63	1,324	482	63	-	-	3,975
Equipment	-	5,495	-	-	1,000	1,556	-	-	8,507
Food and meals	169	390	301	294	137	793	-	-	3,247
Advertising	52	387	95	100	2,430	177	-	-	10,750
Hotels	-	-	-	-	-	57,253	-	-	58,049
Technical support	1,886	7,491	1,007	6,029	6,112	873	-	-	51,697
Miscellaneous	41	277	69	388	4,699	866	(3)	-	13,309
Client emergency needs	-	261	5,606	-	-	41,031	-	-	55,316
Program services	266	607	133	32	481	32	-	-	4,803
Support services	-	43	16	14	17	9	-	-	454
Advisory and task force committee	-	-	-	-	-	50	-	-	231
Fundraising	-	-	-	-	-	-	-	25,341	25,341
TOTAL	\$ 88,722	\$ 261,204	\$ 99,081	\$ 98,761	\$ 398,040	\$ 230,276	\$ 28,888	\$ 25,341	\$ 2,320,217

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

SOMEPLACE SAFE
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2017

	PROGRAM SERVICES								
	Otter Tail Outreach	Grant Outreach	Wilkin Outreach	Traverse Outreach	Pope Outreach	Stevens Outreach	Big Stone Outreach	Douglas Outreach	Wadena Outreach
Salaries	\$ 166,683	\$ 53,322	\$ 52,529	\$ 48,592	\$ 65,397	\$ 54,077	\$ 49,906	\$ 133,409	\$ 52,067
Payroll taxes and fringe benefits	43,532	13,250	11,810	11,424	16,520	9,708	11,668	32,574	12,801
Communications	7,187	2,158	3,765	2,404	1,815	1,913	1,866	4,367	1,897
Travel and meetings	5,843	1,246	1,198	2,541	2,446	2,898	1,722	1,930	3,068
Programming and supplies	-	-	-	-	-	-	-	-	-
Repairs and maintenance	5,379	319	-	21	-	90	-	180	-
Rent	19,900	3,350	6,750	4,200	9,275	7,200	4,550	11,080	8,400
Depreciation	-	-	-	-	-	-	-	-	-
Impairment of goodwill	-	-	-	-	-	-	-	-	-
Contracted services	5,901	2,321	2,316	2,321	2,321	2,321	2,322	4,769	2,321
Utilities	3,906	231	1,195	216	210	2,017	33	210	2,011
Insurance	6,879	1,947	1,947	1,947	1,947	1,947	1,947	5,362	1,947
Training	1,172	436	378	392	788	1,300	530	923	895
Printing and publications	1,437	436	403	395	354	479	354	991	520
Supplies	9,696	1,272	1,773	1,869	1,473	3,372	1,356	3,263	1,984
Postage	832	77	268	430	143	139	126	381	228
Equipment	2,579	55	1,002	2,523	55	1,190	55	55	55
Food and meals	100	68	186	6	130	133	27	337	169
Advertising	2,090	543	210	414	252	613	210	1,364	1,525
Hotels	-	-	-	-	-	-	-	-	-
Technical support	11,225	2,895	2,895	2,935	2,895	3,255	3,045	8,716	2,922
Miscellaneous	838	251	251	251	251	1,141	260	448	251
Client emergency needs	4,089	-	1,750	30	-	-	-	11,585	2,591
Program services	1,005	362	466	227	402	237	327	732	452
Support services	40	26	8	8	8	8	8	428	8
Advisory and task force committee	102	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-	-
TOTAL	\$ 300,415	\$ 84,565	\$ 91,100	\$ 83,146	\$ 106,682	\$ 94,038	\$ 80,312	\$ 223,104	\$ 96,112

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

SOMEPLACE SAFE
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2017

	PROGRAM SERVICES					SUPPORT SERVICES			Total
	Crime Victim Services	Parenting Time Center	DHC Safe Harbors	Development	Thrift Stores	Other Program Services	General and Administrative	Fundraising	
Salaries	\$ 42,360	\$ 135,522	\$ 43,305	\$ 48,602	\$ 186,878	\$ -	\$ 27,117	\$ -	\$ 1,159,766
Payroll taxes and fringe benefits	14,799	21,779	12,744	7,964	28,234	-	5,762	-	283,287
Communications	869	8,205	2,448	4,912	3,311	5	-	-	45,723
Travel and meetings	10,289	2,824	10,646	1,677	2,566	822	-	-	51,784
Programming and supplies	-	-	-	-	-	-	-	-	3,785
Repairs and maintenance	-	8,166	-	-	723	-	-	-	14,879
Rent	-	4,940	-	-	87,400	210	365	-	167,620
Depreciation	-	13,603	-	-	774	-	26,593	-	40,970
Impairment of goodwill	-	-	-	-	1,390	-	-	-	1,390
Contracted services	655	5,641	425	1,963	8,359	33,552	-	-	73,760
Utilities	-	4,834	-	-	20,667	-	-	-	35,531
Insurance	3,258	7,187	811	551	11,029	-	-	-	19,920
Training	1,018	1,854	396	2,010	702	552	-	-	17,097
Printing and publications	675	1,239	540	12,070	1,481	97	-	-	21,470
Supplies	304	3,233	223	3,769	6,012	590	438	-	40,490
Postage	36	448	96	1,440	235	9	30	-	4,919
Equipment	-	590	-	-	265	-	-	-	8,424
Food and meals	140	140	1	888	195	165	-	-	2,688
Advertising	208	873	210	1,668	3,487	-	-	-	13,668
Hotels	-	-	-	-	-	45,163	-	-	45,163
Technical support	910	10,761	1,063	425	4,691	5	(310)	-	58,328
Miscellaneous	75	764	154	1,142	5,112	8,934	1,876	-	17,999
Client emergency needs	-	-	1,897	-	-	28,777	70	-	52,528
Program services	104	654	57	254	788	-	-	-	6,067
Support services	-	25	8	-	58	-	-	-	636
Advisory and task force committee	-	-	-	-	-	-	-	-	102
Fundraising	-	-	-	-	-	-	-	25,462	25,462
TOTAL	\$ 75,700	\$ 233,282	\$ 75,024	\$ 89,335	\$ 374,357	\$ 118,881	\$ 61,941	\$ 25,462	\$ 2,213,456

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

SOMEPLACE SAFE
STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 146,282	\$ 14,476
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	39,617	40,970
Impairment of goodwill	1,390	1,390
Net operating changes in		
Grants receivable	(17,695)	55,431
Other receivable	(307)	-
Unconditional promises to give	-	(9,900)
Prepaid expenses	(7,690)	17,102
Accounts payable	13,041	5,023
Accrued expenses and other liabilities	11,607	(12,295)
Net Cash Provided by Operating Activities	186,245	112,197
 CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(20,826)	-
Loss on disposal of property and equipment	-	8,149
Net Cash Provided (Used) by Investing Activities	(20,826)	8,149
 NET INCREASE IN CASH AND CASH EQUIVALENTS	165,419	120,346
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	459,376	339,030
 CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 624,795	\$ 459,376

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

SOMEPLACE SAFE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018 and 2017

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Someplace Safe is a non-profit 501(c)(3) organization that provides free and confidential advocacy services to victims and survivors of domestic violence, sexual violence, human trafficking, and other crimes through ten advocacy offices in nine counties and five parenting time centers. These services include a region-wide public education system, short-term emergency placement services, support services, legislative efforts, and fundraising to benefit victims of crime.

The following is a summary of significant accounting policies followed in the preparation of these financial statements:

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Donated Assets

With the exception for thrift store merchandise, donated assets and other noncash donations are recorded as contributions at their fair values at the date of donation. Noncash donations of thrift store merchandise are not recorded in the financial statements at the date of donation because of the indeterminate value of the items donated.

SOMEPLACE SAFE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018 and 2017

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific program services and fundraising activities. The Organization received more than 18,600 volunteer hours during the year.

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Concentration of Risk

The Organization maintains its cash and temporary investments in financial institutions which, at times, may exceed federally insured limits. Accounts are guaranteed up to specified limits. The Organization has not experienced any losses in such accounts.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, unless the investments are held for meeting restrictions for purchase of property and equipment, payment of long-term debt, or endowment.

Grants Receivable

Grants receivable are stated at the amount management expects to collect from balances outstanding. Management closely monitors outstanding balances throughout the year and writes off to expense all balances that are considered uncollectible.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

SOMEPLACE SAFE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018 and 2017

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible Assets

Goodwill resulted from the acquisition of the Organization's thrift store business in Alexandria, Minnesota, for an amount in excess of the fair value of the net assets acquired. The goodwill has an indefinite life, is tested for impairment on an annual basis, and is dependent on events and circumstances. The value of goodwill at September 30, 2018 and 2017 was \$8,340 and \$9,730, respectively. Impairment of goodwill was \$1,390 and \$1,390 for the years ended September 30, 2018 and 2017, respectively.

Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years. When property and equipment is sold or retired, any resulting gain or loss is reflected in current operations.

Fair Value of Financial Instruments

The carrying amounts of current assets and current liabilities approximate fair value because of the relatively short maturity of these financial instruments.

Unrestricted Net Assets

Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Temporarily Restricted Net Assets

Temporarily restricted net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The Organization's unspent contributions are reported in this class if the donor limited their use, as are promised contributions that are not yet due. The unspent appreciation of the Organization's donor-restricted endowment funds is also reported as temporarily restricted net assets.

SOMEPLACE SAFE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018 and 2017

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Temporarily Restricted Net Assets (Continued)

Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as temporarily restricted net assets if the donor has restricted the use of the property or equipment to a particular program. If donors specify a length of time over which the property or equipment must be used, the restrictions expire evenly over the required period. Absent that type of restriction for use, the Organization considers the restriction met when the assets are placed in service.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets.

Restricted and Unrestricted Revenues

Contributions or grants that are restricted by the donor or grantor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor and grantor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Program Funding and Revenues

Services rendered by the Organization are funded by grants, fees, and public and private support. Thrift store merchandise donations are recognized as revenue at the time the merchandise is sold due to the indeterminate value of the items donated.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising

The Organization expenses advertising costs as they are incurred.

SOMEPLACE SAFE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018 and 2017

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Presentation of Taxes Collected from Customers

Sales, excise, and other taxes are imposed on most of the Organization's sales to non-exempt customers. The Organization collects the taxes from customers and remits the entire amount to the governmental authorities. The Organization's accounting policy is to exclude the tax collected and remitted from revenues and expenses.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. However, income from certain activities not directly related to the Organization's tax-exempt purpose would be subject to taxation as unrelated business income. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the Code.

The Organization's accounting policy is to present interest and penalties as a component of the provision for income taxes.

The Organization's tax returns are subject to possible examination by taxing authorities. With few exceptions, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

Subsequent Events Consideration

Management has evaluated subsequent events through January 18, 2019, the date on which the financial statements were available to be issued. Management has determined that there were no material events that would require recognition or disclosure in the Organization's financial statements through this date.

SOMEPLACE SAFE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018 and 2017

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes, and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. This ASU is effective for the Organization for the year ended September 30, 2019. The Organization is currently evaluating the effect the provisions of ASU 2016-14 will have on the financial statements.

NOTE 2 – PROPERTY AND EQUIPMENT

Cost of property and equipment as of September 30 consists of the following:

	<u>2018</u>	<u>2017</u>
Land, land improvements, and buildings	\$406,307	\$396,939
Equipment	<u>96,658</u>	<u>95,371</u>
TOTAL	<u><u>\$502,965</u></u>	<u><u>\$492,310</u></u>

Depreciation expense on property and equipment was \$39,617 and \$40,970 for the years ended September 30, 2018 and 2017, respectively.

SOMEPLACE SAFE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018 and 2017

NOTE 3 – RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets as of September 30 are available for the following purposes:

	2018	2017
2018 Fiscal Year-end Operations	\$ -	\$ 1,000

Changes in temporarily restricted net assets consist of the following for the year ended September 30, 2018:

	Beginning Balance	Additions	Releases	Ending Balance
2018 Fiscal Year-end Operations	\$ 1,000	\$ -	\$ 1,000	\$ -

NOTE 4 – LEASES

The Organization leases retail space for two thrift stores in Alexandria and Morris, Minnesota, as well as office space in various locations for its programs. The Organization pays all costs of operations related to the space leased. Total rent expense for the years ended September 30, 2018 and 2017 was \$139,377 and \$167,620, respectively. Future minimum non-cancelable lease payments for the next three years are as follows: 2019 \$28,830; 2020 \$25,680; and 2021 \$13,980.

NOTE 5 – NONCASH DONATIONS

Noncash donations received during the years ended September 30, 2018 and 2017, that have been reflected in the financial statements as in-kind revenue are as follows:

	2018	2017
Office rent - Elbow Lake	\$ 900	\$ 900
Office rent - Perham	10,800	10,800
Office rent - Wheaton	700	4,200
Supplies for victims	5,000	9,731
TOTAL	\$ 17,400	\$ 25,631

Amounts have been recognized as revenue and expenses in the accompanying financial statements for the fair market value of the donated facilities.

SOMEPLACE SAFE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018 and 2017

NOTE 6 – RETIREMENT PLAN

The Organization sponsors a defined contribution plan (the Plan) covering all employees at least 18 years old, with at least one month of service. The Organization, in its sole discretion, may make a profit sharing contribution to eligible employee accounts. For the years ended September 30, 2018 and 2017, no profit sharing contributions were made.

NOTE 7 – ECONOMIC DEPENDENCY

Approximately 61 percent of the Organization's revenues are from grants with state and federal agencies. These grants are paid primarily by the state including federal pass-through monies. The Organization's operations and funding are subject to the administrative directives, rules, and regulations of federal and state agencies. Such administrative directives, rules, and regulations are subject to change by acts of Congress or state agencies. Such changes may occur with little notice or inadequate funding to pay for the related costs, including the administrative burden to comply with a change.

**FEDERAL AWARDS INFORMATION
AND OTHER REPORTS**

SOMEPLACE SAFE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2018

Federal Grantor Pass-through Grantor Grant Program Title	Pass-Through Grant Numbers	Federal CFDA Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Justice				
Passed through Minnesota Department of Public Safety Crime Victim Services 2017	A-CVS-2017-SOMEPLAC-00007	16.575	\$ 904,356	\$ -
TOTAL			<u>\$ 904,356</u>	<u>\$ -</u>

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

SOMEPLACE SAFE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2018

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Someplace Safe for the year ended September 30, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations, it is not intended to, and does not, present the financial position, changes in net assets, 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 of the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

The Organization has elected not to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.



**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***

Board of Directors
Someplace Safe
Fergus Falls, Minnesota

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 Someplace Safe (a nonprofit organization), which comprise the statement of financial position as of September 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 18, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization’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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control that we consider to be a significant deficiency, described in the accompanying schedule of current year findings and questioned costs as item 2018-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Someplace Safe's Response to Findings

The Organization's response to the findings identified in our audit is described in the accompanying schedule of current year findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Handwritten signature in blue ink that reads "Carlson AV".

Fergus Falls, Minnesota
January 18, 2019



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

Board of Directors
Someplace Safe
Fergus Falls, Minnesota

Report on Compliance for Each Major Federal Program

We have audited Someplace Safe’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization’s major federal programs for the year ended September 30, 2018. The Organization’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of current year findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization’s major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization’s compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2018.

Report on Internal Control over Compliance

The Organization's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's 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, non-compliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses; however, material weaknesses may exist that have not been identified.

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.



Fergus Falls, Minnesota
January 18, 2019

SOMEPLACE SAFE
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
September 30, 2018

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the Organization were prepared in accordance with U.S. GAAP.
2. One significant deficiency was disclosed during the audit of the financial statements of the Organization and is described in Part 1 of this schedule. No material weaknesses were reported.
3. No instances of non-compliance material to the financial statements of the Organization were disclosed during the audit.
4. The auditor's report on compliance for each major federal program for the Organization expresses an unmodified opinion on all major federal programs.
5. There are no audit findings relative to the major federal programs for the Organization, as reported in Part 2 of this schedule.
6. Crime Victim Services, CFDA number 16.575 was tested as a major program.
7. The dollar threshold used for distinguishing between Type A and Type B programs was \$750,000.
8. The Organization was determined to be a low-risk auditee.

(1) FINDINGS – FINANCIAL STATEMENTS AUDIT

2018-001. Inadequate Segregation of Duties

Condition: The Organization has a limited number of office personnel and, accordingly, does not have adequate separation of duties. An effective internal control structure provides an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion.

Criteria: A fundamental concept in a good system of internal controls is the segregation of incompatible duties.

Questioned Costs: None.

Cause: Due to the relatively small size of the Organization's staff, the Organization is not able to attain ideal segregation of duties of separating the assignment of different people to authorize transactions, record transactions, and maintain custody of assets.

SOMEPLACE SAFE
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
September 30, 2018

(1) FINDINGS – FINANCIAL STATEMENTS AUDIT (Continued)

2018-001. Inadequate Segregation of Duties (Continued)

Effect: This control deficiency could result in a misstatement to the financial statements that would not be prevented or detected.

Recommendation: Although it may not be economically feasible for the Organization to attain an ideal segregation of duties environment, the Organization can periodically observe and evaluate its current structure so as to make improvements when considered necessary.

(2) FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS AUDIT

None.

SOMEPLACE SAFE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
September 30, 2018

STATUS OF PRIOR YEAR AUDIT FINDINGS

The prior year audit contained three findings.

2017-001. Preparation of Financial Statements and Related Footnotes

Condition: The Organization does not have an internal control system designed to provide for the preparation of the financial statements being audited. As auditors, we were requested to draft the financial statements and accompanying footnotes.

Current status: This condition is not noted during the current year audit of the financial statements.

2017-002. Inadequate Segregation of Duties

Condition: The Organization has a limited number of office personnel and, accordingly, does not have adequate separation of duties. An effective internal control structure provides an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion.

Current status: This condition is noted again during the current year audit of the financial statements.

2017-003. Proposed Material Audit Adjustments

Condition: During the course of the audit, there were proposed material audit adjustments that were not identified as a result of the Organization's existing internal controls and, therefore, could have resulted in a material misstatement of the Organization's financial statements.

Current status: This condition is not noted during the current year audit of the financial statements.



Crime Victim Advocacy, Parenting Time Centers, and Community Thrift Stores

CORRECTIVE ACTION PLAN

January 18, 2019

To the United States Department of Justice:

Someplace Safe of Fergus Falls, Minnesota, respectfully submits the following corrective action plan for the fiscal year ended September 30, 2018.

Name and address of independent public accounting firm:

CarlsonSV LLP
2450 College Way
Fergus Falls, Minnesota 56537

Audit Period: October 1, 2017 to September 30, 2018

The findings from the September 30, 2018 schedule of current year audit findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Summary of Auditor's Results from the schedule does not include findings and is not addressed.

(1) FINDINGS – FINANCIAL STATEMENTS AUDIT

Significant Deficiencies

Item 2018-001. Inadequate Segregation of Duties

Recommendation – Although it may not be economically feasible for the Organization to attain an ideal segregation of duties environment, the Organization can periodically observe and evaluate its current structure so as to make improvements when considered necessary.

(1) FINDINGS – FINANCIAL STATEMENTS AUDIT (Continued)

Item 2018-001. Inadequate Segregation of Duties (Continued)

Action Planned – The Organization has determined the benefit of adequately segregating duties is less than the cost. Based on the assessment, the Organization is accepting the risk posed by the deficiency while also evaluating mitigating controls that will help reduce the risk of material misstatement of the financial statements. Management attempts to mitigate the associated risks by doing the following:

1. Identifies areas where the lack of segregation of duties exists and where there are higher risks of errors or fraud occurring.
2. Implements limited segregation to the extent possible to reduce risks without impairing efficiency.
3. Uses the knowledge that management and the Board of Directors have of operations by having them review certain accounting records and reports.
4. Monitors the effectiveness of the above actions and makes changes as considered appropriate.

(2) FINDINGS – MAJOR FEDERAL AWARDS PROGRAMS AUDIT

Department of Housing and Urban Development

No findings or questioned costs for Major Federal Awards Programs were noted.

If the United States Department of Justice has questions regarding this plan, please call 218-739-3486.

Respectfully submitted,


Sheila Korby
Executive Director