

SOMEPLACE SAFE

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Years Ended September 30, 2019 and 2018

SOMEPLACE SAFE

DIRECTORS AND MANAGEMENT

Kendall Churchill	Chairperson
Heather Brandborg	Vice Chairperson
Rhoda Smith	Secretary
Carol Jergenson	Treasurer
Sarah Estep-Larson	Director
Ruth Grussing	Director
Lindsey Kalina	Director
Kyra Ladd	Director
Laura Nordstrom	Director
Elizabeth Spilde	Director
Elizabeth Tanner	Director
Sheila Korby	Executive Director

TABLE OF CONTENTS

INDEPENDENT AUDITOR’S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position.....	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	7
Notes to the Financial Statements.....	8
SUPPLEMENTARY INFORMATION	
Schedules of Program Services Expenses	16
FEDERAL AWARDS INFORMATION AND OTHER REPORTS	
Schedule of Expenditures of Federal Awards	18
Notes to the Schedule of Expenditures of Federal Awards	19
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 <i>Government Auditing Standards</i>	20
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	22
Schedule of Current Year Findings and Questioned Costs	24
Summary Schedule of Prior Year Audit Findings	26
Corrective Action Plan.....	27



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, 2019 and 2018, 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 audits. 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. 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 on the previous page present fairly, in all material respects, the financial position of the Organization as of September 30, 2019 and 2018, 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 schedules of program services expenses on pages 16-17 is presented for purposes of additional analysis and is not a required part of the financial statements. 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 December 20, 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.

Carlson SV JH

Fergus Falls, Minnesota
December 20, 2019

SOMEPLACE SAFE
STATEMENTS OF FINANCIAL POSITION
September 30, 2019 and 2018

ASSETS

	2019	2018
CURRENT ASSETS		
Cash and cash equivalents	\$ 652,279	\$ 624,795
Grants receivable	129,238	141,998
Other receivable	6,609	307
Unconditional promises to give	22,500	22,500
Prepaid expenses	12,455	13,007
Total Current Assets	823,081	802,607
PROPERTY AND EQUIPMENT		
Property and equipment	508,093	502,965
Accumulated depreciation	(218,127)	(195,076)
Property and Equipment, Net	289,966	307,889
OTHER ASSETS		
Security deposits	5,600	5,600
Goodwill, net	6,950	8,340
Other Assets, Net	12,550	13,940
TOTAL ASSETS	\$ 1,125,597	\$ 1,124,436

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 22,873	\$ 29,966
Accrued expenses and other liabilities	68,579	72,594
Total Liabilities	91,452	102,560
NET ASSETS		
Without donor restrictions	1,018,929	1,021,876
With donor restrictions	15,216	-
Total Net Assets	1,034,145	1,021,876
TOTAL LIABILITIES AND NET ASSETS	\$ 1,125,597	\$ 1,124,436

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

SOMEPLACE SAFE
STATEMENTS OF ACTIVITIES
For the Years Ended September 30, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT						
State financial assistance	\$ 545,991	\$ -	\$ 545,991	\$ 588,376	\$ -	\$ 588,376
Federal financial assistance	917,573	-	917,573	904,356	-	904,356
United Way services	64,976	-	64,976	66,522	-	66,522
Thrift store sales	435,236	-	435,236	398,299	-	398,299
Other grants and contracts	36,482	-	36,482	146,916	-	146,916
Donations	151,847	-	151,847	149,672	-	149,672
Fines	16,093	-	16,093	29,409	-	29,409
Fundraising	83,218	15,216	98,434	82,573	-	82,573
Fees	113,497	-	113,497	88,588	-	88,588
Rent	-	-	-	2,640	-	2,640
Interest	2,146	-	2,146	931	-	931
Other revenue	7,496	-	7,496	8,217	-	8,217
Assets released from restrictions	-	-	-	1,000	(1,000)	-
Total Revenues, Gains, and Other Support	<u>2,374,555</u>	<u>15,216</u>	<u>2,389,771</u>	<u>2,467,499</u>	<u>(1,000)</u>	<u>2,466,499</u>
EXPENSES						
Program services	1,999,147	-	1,999,147	2,265,988	-	2,265,988
Support services						
General and administrative	256,894	-	256,894	28,888	-	28,888
Fundraising	121,461	-	121,461	25,341	-	25,341
Total Expenses	<u>2,377,502</u>	<u>-</u>	<u>2,377,502</u>	<u>2,320,217</u>	<u>-</u>	<u>2,320,217</u>
CHANGE IN NET ASSETS	(2,947)	15,216	12,269	147,282	(1,000)	146,282
NET ASSETS, BEGINNING OF YEAR	<u>1,021,876</u>	<u>-</u>	<u>1,021,876</u>	<u>874,594</u>	<u>1,000</u>	<u>875,594</u>
NET ASSETS, END OF YEAR	<u><u>\$ 1,018,929</u></u>	<u><u>\$ 15,216</u></u>	<u><u>\$ 1,034,145</u></u>	<u><u>\$ 1,021,876</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,021,876</u></u>

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

SOMEPLACE SAFE
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2019

	<u>SUPPORTING SERVICES</u>			<u>Total</u>
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	
Salaries	\$ 1,040,517	\$ 178,891	\$ 67,960	\$ 1,287,368
Payroll taxes and fringe benefits	248,118	42,665	16,206	306,989
Communications	53,089	-	-	53,089
Travel and meetings	75,050	-	-	75,050
Programming and supplies	8,294	-	-	8,294
Repairs and maintenance	14,033	-	-	14,033
Rent	157,476	-	6,106	163,582
Depreciation	13,231	9,820	-	23,051
Impairment of goodwill	1,390	-	-	1,390
Contracted services	28,368	25,500	2,500	56,368
Utilities	37,149	-	-	37,149
Insurance	18,476	-	-	18,476
Training	42,010	-	-	42,010
Printing and publications	15,227	-	-	15,227
Supplies	96,055	-	21,193	117,248
Postage	4,371	-	-	4,371
Food and meals	5,422	-	5,590	11,012
Advertising	17,225	-	1,791	19,016
Hotels	38,924	-	-	38,924
Technical support	7,983	-	-	7,983
Miscellaneous	14,348	18	115	14,481
Client emergency needs	57,029	-	-	57,029
Program services	5,202	-	-	5,202
Support services	82	-	-	82
Advisory and task force committee	78	-	-	78
TOTAL	<u>\$ 1,999,147</u>	<u>\$ 256,894</u>	<u>\$ 121,461</u>	<u>\$ 2,377,502</u>

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

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

	SUPPORT SERVICES			Total
	Program Services	General and Administrative	Fundraising	
Salaries	\$ 1,237,369	\$ 2,018	\$ -	\$ 1,239,387
Payroll taxes and fringe benefits	281,204	250	-	281,454
Communications	47,388	-	-	47,388
Travel and meetings	62,986	-	-	62,986
Programming and supplies	5,327	-	-	5,327
Repairs and maintenance	6,649	15	-	6,664
Rent	139,377	-	-	139,377
Depreciation	13,231	26,386	-	39,617
Impairment of goodwill	1,390	-	-	1,390
Contracted services	65,539	-	-	65,539
Utilities	49,110	-	-	49,110
Insurance	21,305	183	-	21,488
Training	30,677	-	-	30,677
Printing and publications	25,437	-	670	26,107
Supplies	73,658	39	16,526	90,223
Postage	3,975	-	755	4,730
Equipment	8,507	-	-	8,507
Food and meals	3,247	-	4,520	7,767
Advertising	10,750	-	2,655	13,405
Hotels	58,049	-	-	58,049
Technical support	51,697	-	-	51,697
Miscellaneous	8,312	(3)	215	8,524
Client emergency needs	55,316	-	-	55,316
Program services	4,803	-	-	4,803
Support services	454	-	-	454
Advisory and task force committee	231	-	-	231
TOTAL	\$ 2,265,988	\$ 28,888	\$ 25,341	\$ 2,320,217

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

SOMEPLACE SAFE
STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 12,269	\$ 146,282
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	23,051	39,617
Impairment of goodwill	1,390	1,390
Net operating changes in		
Grants receivable	12,760	(17,695)
Other receivable	(6,302)	(307)
Prepaid expenses	552	(7,690)
Accounts payable	(7,093)	13,041
Accrued expenses and other liabilities	(4,015)	11,607
Net Cash Provided by Operating Activities	32,612	186,245
 CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(5,128)	(20,826)
 NET INCREASE IN CASH AND CASH EQUIVALENTS	27,484	165,419
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	624,795	459,376
 CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 652,279	\$ 624,795

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

SOMEPLACE SAFE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019 and 2018

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 Presentation

The financial statements of Someplace Safe have been prepared in accordance with US generally accepted accounting principles, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net Assets With Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

SOMEPLACE SAFE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019 and 2018

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

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities, as applicable. Operating activities consist of those items attributable to the Organization's ongoing program services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Concentration of Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. Accounts are guaranteed up to specified limits. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

Cash and Cash Equivalents

The Organization's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in an investment portfolio which are invested for long-term purposes.

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.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

SOMEPLACE SAFE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019 and 2018

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, 2019 and 2018 was \$6,950 and \$8,340, respectively. Impairment of goodwill was \$1,390 and \$1,390 for the years ended September 30, 2019 and 2018, respectively.

Property and Equipment

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The useful lives range from 3 to 30 years. The Organization's policy is to capitalize renewals and betterments acquired for greater than \$5,000 and expense normal repairs and maintenance as incurred. The Organization's management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

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.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

SOMEPLACE SAFE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019 and 2018

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

In-kind Donations

The Organization received donated rent and personal items of \$17,206 and \$17,400 for the years ended September 30, 2019 and 2018, respectively. Such amounts, which are based upon information provided by third-party service providers, are recorded at their estimated fair value determined on the date of contribution, and are reported as contributions in-kind and rent and programming and supplies on the accompanying statements of activities and statements of functional expenses, respectively.

Several volunteers have made significant contributions of their time in furtherance of the Organization's mission. These services were not reflected in the accompany statements of activities because they do not meet the necessary criteria for recognition under US GAAP.

Revenue Recognition

Contributions and grant revenue are recorded as revenue when an unconditional promise to give has been made. The Organization recognizes revenues from exchange transactions, primarily sales and program services fees, as the services are provided to the customer.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include office expenses, contract services, advertising, utilities which are allocated on a full-time equivalent basis as allowed by the grantor, as well as salaries and payroll-related expenses, which are allocated on the basis of estimates of time and effort.

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.

SOMEPLACE SAFE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019 and 2018

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

Advertising

The Organization expenses advertising costs as they are incurred.

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, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Subsequent Events Consideration

Management has evaluated subsequent events through December 20, 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.

Reclassifications

Certain reclassifications have been made to the 2018 financial statements to conform to the current year presentation.

New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

SOMEPLACE SAFE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019 and 2018

NOTE 2 – AVAILABILITY AND LIQUIDITY

The following represents the Organization’s financial assets at September 30:

Financial assets at year end	2019	2018
Cash and cash equivalents	\$ 652,279	\$ 624,795
Receivables	158,347	164,805
Total Financial Assets	810,626	789,600
Less amounts not available to be used within one year		
Net assets with donor restrictions	15,216	-
FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES OVER THE NEXT TWELVE MONTHS	<u>\$ 795,410</u>	<u>\$ 789,600</u>

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations become due. As part of its liquidity plan, excess cash is invested in short-term investments, including savings accounts.

NOTE 3 – PROPERTY AND EQUIPMENT

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

	2019	2018
Land, land improvements, and buildings	\$ 406,307	\$ 406,307
Equipment	101,786	96,658
TOTAL	<u>\$ 508,093</u>	<u>\$ 502,965</u>

Depreciation expense on property and equipment was \$23,051 and \$39,617 for the years ended September 30, 2019 and 2018, respectively.

SOMEPLACE SAFE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019 and 2018

NOTE 4 – NET ASSETS

Net assets with donor restrictions were as follows for the years ended September 30:

	<u>2019</u>	<u>2018</u>
Specific purpose		
THRIFT STORE REMODEL	<u>\$ 15,216</u>	<u>\$ -</u>

Net assets without donor restrictions for the years ended September 30 are as follows:

	<u>2019</u>	<u>2018</u>
UNDESIGNATED	<u>\$1,018,929</u>	<u>\$1,021,876</u>

NOTE 5 – 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, 2019 and 2018 was \$157,476 and \$139,377, respectively. Future minimum non-cancelable lease payments for the next five years are as follows: 2020 \$42,820; 2021 \$31,920; 2022 \$21,960; 2023 \$21,960 and 2024 \$14,640.

NOTE 6 – DONATED MATERIALS AND FACILITIES

During the years ended September 30, 2019 and 2018, the Organization received the following non-cash donations that have been reflected in the financial statements as in-kind revenue:

	<u>2019</u>	<u>2018</u>
Office rent	\$ 3,600	\$ 12,400
Space rental - venues for fundraising	6,106	-
Supplies for victims	<u>7,500</u>	<u>5,000</u>
TOTAL	<u>\$ 17,206</u>	<u>\$ 17,400</u>

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

SOMEPLACE SAFE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019 and 2018

NOTE 7 – 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, 2019 and 2018, no profit sharing contributions were made.

NOTE 8 – ECONOMIC DEPENDENCY

Approximately 59 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.

SUPPLEMENTARY INFORMATION

SOMEPLACE SAFE
SCHEDULE OF PROGRAM SERVICES EXPENSES
Year Ended September 30, 2019

	Otter Tail Outreach	Grant Outreach	Wilkin Outreach	Traverse Outreach	Pope Outreach	Stevens Outreach	Big Stone Outreach	Douglas Outreach	Wadena Outreach	Crime Victim Services	Parenting Time Center	DHC Safe Harbors	Development	Thrift Stores	Other Program Services	Total
Salaries	\$ 151,469	\$ 44,115	\$ 38,645	\$ 20,287	\$ 35,929	\$ 30,323	\$ 20,768	\$ 145,973	\$ 35,468	\$ 66,409	\$ 155,563	\$ 46,181	\$ -	\$ 187,896	\$ 61,491	\$ 1,040,517
Payroll taxes and fringe benefits	42,026	14,664	10,328	5,319	11,253	7,613	5,736	44,559	9,735	17,601	22,037	14,451	-	30,801	11,995	248,118
Communications	7,471	2,886	2,162	2,710	2,477	1,852	1,084	6,369	2,026	2,388	9,054	1,313	4,312	5,479	1,506	53,089
Travel and meetings	7,423	1,991	3,132	2,718	2,337	3,357	2,768	4,648	3,493	10,566	4,871	11,352	3,093	2,040	11,261	75,050
Programming and supplies	9	-	-	-	201	-	-	240	219	-	-	125	-	-	-	7,500
Repairs and maintenance	139	81	-	-	-	52	-	410	-	-	12,328	66	-	926	31	14,033
Rent	13,194	3,226	4,426	2,551	13,036	226	4,871	15,340	5,626	452	10,919	77	1,177	79,758	2,597	157,476
Depreciation	-	-	-	-	-	-	-	-	-	-	13,231	-	-	-	-	13,231
Impairment of goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-	1,390	-	1,390
Contracted services	7,838	1,160	2,416	317	550	550	317	2,157	584	2,612	2,398	417	1,055	4,606	1,391	28,368
Utilities	4,132	200	187	211	232	1,488	194	311	2,582	43	5,056	417	22	21,470	604	37,149
Insurance	2,412	608	608	322	608	608	322	2,293	608	1,215	2,427	576	681	4,585	603	18,476
Training	4,631	2,589	875	1,095	1,562	1,817	522	4,995	2,807	5,364	4,491	686	3,780	3,609	3,187	42,010
Printing and publications	682	256	219	154	275	329	109	682	287	348	860	322	9,045	1,032	627	15,227
Supplies	10,982	3,128	3,147	1,833	2,172	5,287	2,246	14,741	2,814	2,775	26,197	1,674	5,510	11,543	2,006	96,055
Postage	333	105	93	43	130	159	48	769	252	122	468	54	1,270	478	47	4,371
Food and meals	440	369	56	105	81	114	101	647	185	520	1,047	132	643	190	792	5,422
Advertising	5,024	210	1,010	205	664	536	110	791	1,205	304	1,841	748	2,370	1,459	748	17,225
Hotels	123	-	-	-	-	93	-	-	-	-	-	-	-	-	38,708	38,924
Technical support	718	179	179	179	179	179	179	805	237	148	3,965	57	260	662	57	7,983
Miscellaneous	334	83	83	79	83	83	79	644	159	152	512	1,171	732	5,680	4,474	14,348
Client emergency needs	2,389	1,036	239	-	-	-	-	2,047	6,188	750	-	1,742	-	-	42,638	57,029
Program services	1,070	154	154	106	429	200	106	862	332	292	925	202	32	229	109	5,202
Support services	-	-	-	-	-	-	-	-	-	-	-	-	82	-	-	82
Advisory and task force committee	69	9	-	-	-	-	-	-	-	-	-	-	-	-	-	78
TOTAL	\$ 262,908	\$ 77,049	\$ 67,959	\$ 38,234	\$ 72,198	\$ 54,866	\$ 39,560	\$ 249,283	\$ 74,807	\$ 112,061	\$ 278,190	\$ 81,763	\$ 34,064	\$ 363,833	\$ 192,372	\$ 1,999,147

SOMEPLACE SAFE
SCHEDULE OF PROGRAM SERVICES EXPENSES
Year Ended September 30, 2018

	Otter Tail Outreach	Grant Outreach	Wilkin Outreach	Traverse Outreach	Pope Outreach	Stevens Outreach	Big Stone Outreach	Douglas Outreach	Wadena Outreach	Crime Victim Services	Parenting Time Center	DHC Safe Harbors	Development	Thrift Stores	Other Program Services	Total
Salaries	\$ 158,703	\$ 50,080	\$ 51,756	\$ 39,342	\$ 54,434	\$ 45,531	\$ 42,430	\$ 159,251	\$ 61,215	\$ 51,459	\$ 147,030	\$ 50,519	\$ 55,665	\$ 211,404	\$ 58,550	\$ 1,237,369
Payroll taxes and fringe benefits	44,704	8,284	11,877	10,941	16,607	12,369	13,104	40,900	13,076	14,263	23,558	14,915	10,975	34,068	11,563	281,204
Communications	6,991	2,374	2,129	2,103	2,153	1,749	1,181	4,917	2,185	1,506	8,480	1,735	3,457	4,964	1,464	47,388
Travel and meetings	5,100	1,342	1,333	1,925	1,919	2,337	2,456	3,145	2,399	10,201	3,405	10,453	2,031	3,927	11,013	62,986
Programming and supplies	147	-	-	-	15	15	15	45	15	-	-	-	45	30	5,000	5,327
Repairs and maintenance	758	105	7	254	17	209	8	7	7	-	4,328	125	-	757	67	6,649
Rent	16,498	2,902	4,927	2,777	11,377	77	4,627	9,796	5,027	154	5,306	77	77	73,158	2,597	139,377
Depreciation	-	-	-	-	-	-	-	-	-	-	13,231	-	-	-	-	13,231
Impairment of goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-	1,390	-	1,390
Contracted services	4,923	1,231	1,231	1,231	1,231	1,231	1,231	3,747	1,286	2,461	4,702	1,305	1,397	8,909	29,423	65,539
Utilities	4,168	405	140	447	268	1,961	221	619	2,765	48	13,716	644	25	23,097	586	49,110
Insurance	2,852	728	728	728	728	728	728	1,872	728	1,453	2,674	714	764	5,171	709	21,305
Training	3,146	949	1,442	575	751	1,009	452	2,176	1,433	1,828	3,382	6,539	2,379	2,504	2,112	30,677
Printing and publications	2,556	453	453	399	453	453	442	1,700	756	948	1,784	1,323	10,098	2,303	1,316	25,437
Supplies	8,919	3,024	3,460	2,546	2,881	3,800	2,056	6,587	2,904	1,861	14,346	3,442	3,667	11,001	3,164	73,658
Postage	396	63	142	63	82	122	68	473	198	126	311	63	1,324	482	62	3,975
Equipment	-	-	-	-	-	-	-	456	-	-	5,495	-	-	1,000	1,556	8,507
Food and meals	181	112	56	24	85	212	24	413	55	169	390	301	294	137	794	3,247
Advertising	2,049	507	1,049	127	122	934	77	563	2,079	52	387	95	100	2,430	179	10,750
Hotels	-	-	-	-	-	420	-	-	375	-	-	-	-	-	57,254	58,049
Technical support	7,663	1,749	1,832	3,130	1,900	1,832	1,766	6,146	2,278	1,886	7,491	1,007	6,029	6,112	876	51,697
Miscellaneous	586	182	93	61	66	74	61	624	224	41	277	69	388	4,699	867	8,312
Client emergency needs	2,782	578	506	-	-	-	-	4,532	20	-	261	5,606	-	-	41,031	55,316
Program services	934	192	192	192	467	192	192	652	238	266	607	133	32	481	33	4,803
Support services	43	206	9	9	9	9	9	53	9	-	43	16	14	17	8	454
Advisory and task force committee	164	-	-	-	-	-	-	16	-	-	-	-	-	-	51	231
TOTAL	\$ 274,263	\$ 75,466	\$ 83,362	\$ 66,874	\$ 95,565	\$ 75,264	\$ 71,148	\$ 248,690	\$ 99,272	\$ 88,722	\$ 261,204	\$ 99,081	\$ 98,761	\$ 398,041	\$ 230,275	\$ 2,265,988

**FEDERAL AWARDS INFORMATION
AND OTHER REPORTS**

SOMEPLACE SAFE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2019

Federal Grantor Pass-through Grantor Grant Program Title	Pass-Through Grant Numbers	Federal CFDA Number	Expenditures	Passed Through to Subrecipients
United States Department of Justice				
Passed through Minnesota Department of Public Safety				
Crime Victim Services	A-CVS-2018-SOMEPLAC-00018	16.575	\$ 912,910	\$ -
Facilities Improvement	A-FMR-2019-SOMEPLAC-016	16.575	4,663	-
TOTAL			<u>\$ 917,573</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, 2019

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, 2019. 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, 2019, 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 December 20, 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 2019-001.

Compliance and Other Matters

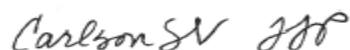
As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material 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.



Fergus Falls, Minnesota
December 20, 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, 2019. 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, 2019.

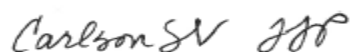
Report on Internal Control over Compliance

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
December 20, 2019

SOMEPLACE SAFE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2019

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 GAAP.
2. One significant deficiency disclosed during the audit of the financial statements is reported in Part 1 of this schedule. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of the Organization, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. One significant deficiency in internal control over major federal award programs disclosed during the audit is reported in Part 2 of this schedule. No material weaknesses are reported.
5. The auditor's report on compliance for each major federal program for the Organization expresses an unmodified opinion on all major federal programs.
6. There are no audit findings that are required to be reported in accordance 2 CFR section 200.516(a).
7. The programs tested as major were: Crime Victim Services, CFDA number 16.575.
8. The threshold used for distinguishing between Type A and Type B programs was \$750,000.
9. The Organization was determined to be a low-risk auditee.

(1) FINDINGS – FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCIES

2019-001. 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.

SOMEPLACE SAFE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2019

(1) FINDINGS – FINANCIAL STATEMENTS AUDIT (Continued)

2019-001. Inadequate Segregation of Duties (Continued)

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.

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

SIGNIFICANT DEFICIENCIES

2019-001. Inadequate Segregation of Duties

See Part 1 above for information on this significant deficiency.

There are no questioned costs required to be reported.

SOMEPLACE SAFE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended September 30, 2019

STATUS OF PRIOR YEAR AUDIT FINDINGS

The prior year audit contained one finding.

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.

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



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

CORRECTIVE ACTION PLAN

December 20, 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, 2019.

Name and address of independent public accounting firm:

CarlsonSV LLP
2450 College Way
Fergus Falls, Minnesota 56537

Audit Period: October 1, 2018 to September 30, 2019

The findings from the September 30, 2019 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 2019-001. 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 2019-001. 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

Item 2019-001. Inadequate Segregation of Duties

See Part 1 above for information on this significant deficiency.

There are no questioned costs required to be reported.

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

Respectfully submitted,



Sheila Korby
Executive Director