

**SOMEPLACE SAFE**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**Years Ended September 30, 2017 and 2016**

## **SOMEPLACE SAFE**

### **DIRECTORS AND MANAGEMENT**

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

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**SOMEPLACE SAFE**  
**STATEMENTS OF FINANCIAL POSITION**  
**September 30, 2017 and 2016**

**ASSETS**

	<b>2017</b>	<b>2016</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 459,376	\$ 339,030
Grants receivable	124,303	179,734
Unconditional promises to give	22,500	12,600
Prepaid expenses	5,317	22,419
Total Current Assets	611,496	553,783
 <b>PROPERTY AND EQUIPMENT</b>		
Property and equipment	492,310	522,127
Less accumulated depreciation	165,630	146,328
Property and Equipment, Net	326,680	375,799
 <b>OTHER ASSETS</b>		
Security deposits	5,600	5,600
Goodwill, net	9,730	11,120
Other Assets, Net	15,330	16,720
 <b>TOTAL ASSETS</b>	<b>\$ 953,506</b>	<b>\$ 946,302</b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 16,925	\$ 11,902
Accrued expenses and other liabilities	60,987	73,282
Total Liabilities	77,912	85,184
 <b>NET ASSETS</b>		
Unrestricted	874,594	851,118
Temporarily restricted	1,000	10,000
Total Net Assets	875,594	861,118
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 953,506</b>	<b>\$ 946,302</b>

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

**SOMEPLACE SAFE**  
**STATEMENTS OF ACTIVITIES**  
For the Years Ended September 30, 2017 and 2016

	<u>2017</u>			<u>2016</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>						
State financial assistance	\$ 429,623	\$ -	\$ 429,623	\$ 550,399	\$ -	\$ 550,399
Federal financial assistance	936,272	-	936,272	731,036	-	731,036
United Way services	67,983	-	67,983	63,991	-	63,991
Thrift store sales	370,853	-	370,853	341,478	-	341,478
Other grants and contracts	42,225	-	42,225	46,877	10,000	56,877
Donations	169,699	1,000	170,699	138,325	-	138,325
Fines	26,887	-	26,887	32,155	-	32,155
Fundraising	92,202	-	92,202	84,291	-	84,291
Fees	79,940	-	79,940	72,253	-	72,253
Rent	4,980	-	4,980	4,980	-	4,980
Interest	526	-	526	567	-	567
Other revenue	13,891	-	13,891	17,017	-	17,017
Loss on disposal of property and equipment	(8,149)	-	(8,149)	(766)	-	(766)
Assets released from restrictions	10,000	(10,000)	-	43,685	(43,685)	-
<b>Total Revenues, Gains, and Other Support</b>	<u>2,236,932</u>	<u>(9,000)</u>	<u>2,227,932</u>	<u>2,126,288</u>	<u>(33,685)</u>	<u>2,092,603</u>
<b>EXPENSES</b>						
Program Services	2,126,053		2,126,053	1,780,096		1,780,096
Support Services						
General and administrative	61,941	-	61,941	209,182	-	209,182
Fundraising	25,462	-	25,462	25,147	-	25,147
<b>Total Expenses</b>	<u>2,213,456</u>	<u>-</u>	<u>2,213,456</u>	<u>2,014,425</u>	<u>-</u>	<u>2,014,425</u>
<b>CHANGE IN NET ASSETS</b>	23,476	(9,000)	14,476	111,863	(33,685)	78,178
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>851,118</u>	<u>10,000</u>	<u>861,118</u>	<u>739,255</u>	<u>43,685</u>	<u>782,940</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 874,594</u></u>	<u><u>\$ 1,000</u></u>	<u><u>\$ 875,594</u></u>	<u><u>\$ 851,118</u></u>	<u><u>\$ 10,000</u></u>	<u><u>\$ 861,118</u></u>

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

**SOMEPLACE SAFE**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended September 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 14,476	\$ 78,178
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Depreciation	40,970	36,779
Impairment of goodwill	1,390	1,390
Net operating changes in		
Grants receivable	55,431	(139,497)
Unconditional promises to give	(9,900)	(12,600)
Prepaid expenses	17,102	(7,972)
Accounts payable	5,023	(5,386)
Accrued expenses and other liabilities	(12,295)	(6,228)
Net Cash Used from Operating Activities	112,197	(55,336)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	-	(34,822)
Loss on disposal of property and equipment	8,149	766
Net Cash Used from Investing Activities	8,149	(34,056)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	120,346	(89,392)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	339,030	428,422
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 459,376</b>	<b>\$ 339,030</b>

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

**SOMEPLACE SAFE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2017 and 2016**

**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 Someplace Safe 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 variety, quantity, and indeterminate value of the items donated.

**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 13,900 volunteer hours during the year.

**SOMEPLACE SAFE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2017 and 2016**

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

**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.

**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 and is tested for impairment on an annual basis and is dependent on events and circumstances. The value of goodwill at September 30, 2017 and 2016 was \$9,730 and \$11,120, respectively. Impairment of goodwill was \$1,390 and \$1,390 for the years ended September 30, 2017 and 2016, respectively.



**SOMEPLACE SAFE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2017 and 2016**

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

**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.

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.

**SOMEPLACE SAFE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2017 and 2016**

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

**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 by 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.

**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.

**SOMEPLACE SAFE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2017 and 2016**

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

**Subsequent Events Consideration**

Management has evaluated subsequent events through January 3, 2018, 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 2016 financial statements to conform to the current year presentation.

**NOTE 2 – PROPERTY AND EQUIPMENT**

The cost of property and equipment consists of the following as of September 30:

	<u>2017</u>	<u>2016</u>
Land and buildings	\$396,939	\$400,660
Equipment	95,371	119,637
Vehicles	-	1,830
	<u>492,310</u>	<u>522,127</u>
Less accumulated depreciation	<u>165,630</u>	<u>146,328</u>
<b>TOTAL, NET</b>	<b><u><u>\$326,680</u></u></b>	<b><u><u>\$375,799</u></u></b>

Depreciation expense on property and equipment was \$40,970 and \$36,779 for the years ended September 30, 2017 and 2016, respectively.

**NOTE 3 – RESTRICTIONS ON NET ASSETS**

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

	<u>2017</u>	<u>2016</u>
Emergency assistance for victims of crime in Douglas County	\$ -	\$ 10,000
2018 fiscal year end operations	<u>1,000</u>	<u>-</u>
<b>TOTAL</b>	<b><u><u>\$ 1,000</u></u></b>	<b><u><u>\$ 10,000</u></u></b>

**SOMEPLACE SAFE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2017 and 2016**

**NOTE 3 – RESTRICTIONS ON NET ASSETS (Continued)**

Changes in temporarily restricted net assets consist of the following for the year ended September 30, 2017:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending Balance</u>
Emergency assistance for victims of crime in Douglas County	\$ 10,000	\$ -	\$ 10,000	\$ -
2018 fiscal year end operations	-	1,000	-	1,000
<b>TOTAL</b>	<b><u>\$ 10,000</u></b>	<b><u>\$ 1,000</u></b>	<b><u>\$ 10,000</u></b>	<b><u>\$ 1,000</u></b>

**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, 2017 and 2016 was \$167,620 and \$149,730, respectively. Future minimum non-cancelable lease payments for the next two years are as follows: 2018 \$28,670 and 2019 \$8,400.

**NOTE 5 – NON-CASH DONATIONS**

During the years ended September 30, 2017 and 2016, the Organization received the following non-cash donations that have been reflected in the financial statements as in-kind revenue:

	<u>2017</u>	<u>2016</u>
Office rent - Elbow Lake	\$ 900	\$ 900
Office rent - Perham	10,800	10,800
Office rent - Wheaton	4,200	4,200
Supplies for victims	8,934	9,731
<b>TOTAL</b>	<b><u>\$ 24,834</u></b>	<b><u>\$ 25,631</u></b>

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, 2017 and 2016**

**NOTE 6 – DEFINED BENEFIT PLAN**

The Organization sponsors a defined contribution plan (the Plan) covering all employees at least 18 years old, with at least 1 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, 2017 and 2016, no profit sharing contributions were made.

**NOTE 7 – ECONOMIC DEPENDENCY**

Approximately 62 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 an act of Congress or acts of 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 FUNCTIONAL EXPENSES**  
**Year Ended September 30, 2017**

	<b>Program Services</b>								
	<b>Otter Tail Outreach</b>	<b>Grant Outreach</b>	<b>Wilkin Outreach</b>	<b>Traverse Outreach</b>	<b>Pope Outreach</b>	<b>Stevens Outreach</b>	<b>Big Stone Outreach</b>	<b>Douglas Outreach</b>	<b>Wadena Outreach</b>
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
Memberships	1,005	362	466	227	402	237	327	732	452
Resource materials	40	26	8	8	8	8	8	428	8
Advisory and task force committee	102	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 300,415</b>	<b>\$ 84,565</b>	<b>\$ 91,100</b>	<b>\$ 83,146</b>	<b>\$ 106,682</b>	<b>\$ 94,038</b>	<b>\$ 80,312</b>	<b>\$ 223,104</b>	<b>\$ 96,112</b>



**SOMEPLACE SAFE**  
**SCHEDULE 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
Memberships	104	654	57	254	788	-	-	-	6,067
Resource materials	-	25	8	-	58	-	-	-	636
Advisory and task force committee	-	-	-	-	-	-	-	-	102
Fundraising	-	-	-	-	-	-	-	25,462	25,462
<b>TOTAL</b>	<b>\$ 75,700</b>	<b>\$ 233,282</b>	<b>\$ 75,024</b>	<b>\$ 89,335</b>	<b>\$ 374,357</b>	<b>\$ 118,881</b>	<b>\$ 61,941</b>	<b>\$ 25,462</b>	<b>\$ 2,213,456</b>

**SOMEPLACE SAFE**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**Year Ended September 30, 2016**

	<b>Program Services</b>									
	<b>Otter Tail Outreach</b>	<b>Grant Outreach</b>	<b>Wilkin Outreach</b>	<b>Traverse Outreach</b>	<b>Pope Outreach</b>	<b>Stevens Outreach</b>	<b>Big Stone Outreach</b>	<b>Douglas Outreach</b>	<b>Wadena Outreach</b>	<b>Crime Victim Services</b>
Salaries	\$ 147,622	\$ 32,278	\$ 38,263	\$ 39,577	\$ 54,556	\$ 34,359	\$ 37,980	\$ 115,571	\$ 40,719	\$ 51,542
Payroll taxes and fringe benefits	40,364	8,233	7,798	11,462	13,248	5,602	8,176	25,519	11,503	15,105
Communications	8,917	2,462	3,663	2,966	2,082	2,047	2,645	3,812	3,568	817
Travel and meetings	4,956	1,328	1,246	2,788	1,791	1,041	2,038	3,097	1,694	10,054
Programming and supplies	330	-	-	-	-	50	-	-	-	-
Repairs and maintenance	1,059	-	-	-	58	960	35	25	-	-
Rent	18,600	3,000	5,400	4,200	8,400	6,600	4,200	10,215	8,850	330
Depreciation	-	-	-	-	-	-	-	-	-	-
Impairment of goodwill	-	-	-	-	-	-	-	-	-	-
Contracted services	4,790	1,707	1,702	1,708	1,708	1,930	1,707	3,664	1,725	115
Utilities	3,911	42	359	30	30	1,692	-	30	1,704	-
Insurance	2,555	619	722	666	669	666	619	1,993	619	1,061
Training	1,326	243	386	477	621	748	502	1,521	293	1,417
Printing and publications	1,214	450	477	388	485	564	401	1,505	395	159
Supplies	10,672	1,828	2,149	1,779	2,628	3,452	1,470	4,277	2,720	1,604
Postage	990	166	304	214	253	300	166	476	199	-
Equipment	2,098	423	1,222	238	223	851	549	4,341	2,078	-
Food and meals	68	30	339	53	131	19	12	337	12	43
Advertising	1,222	242	114	244	240	432	130	514	574	125
Hotels	705	-	160	-	-	-	-	-	-	-
Technical support	8,841	1,784	4,040	1,596	1,844	1,937	2,042	5,638	2,874	149
Miscellaneous	692	122	122	122	122	122	122	472	103	255
Client emergency needs	3,466	-	1,565	50	68	425	680	2,171	854	147
Memberships	566	261	199	149	339	249	297	498	388	125
Resource materials	29	15	15	15	67	63	15	13	15	183
Advisory and task force committee	72	3	3	3	3	3	3	10	-	-
Fundraising	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 265,065</b>	<b>\$ 55,236</b>	<b>\$ 70,248</b>	<b>\$ 68,725</b>	<b>\$ 89,566</b>	<b>\$ 64,112</b>	<b>\$ 63,789</b>	<b>\$ 185,699</b>	<b>\$ 80,887</b>	<b>\$ 83,231</b>

**SOMEPLACE SAFE**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**Year Ended September 30, 2016**

	Program Services				Support Services			Total
	Parenting Time Center	DHC Safe Harbors	Development	Thrift Stores	Other Program Services	General and Administrative	Fundraising	
Salaries	\$ 139,456	\$ 38,883	\$ 41,343	\$ 157,946	\$ -	\$ 154,144	\$ -	\$ 1,124,239
Payroll taxes and fringe benefits	23,357	11,880	3,008	29,117	-	15,241	-	229,613
Communications	6,396	1,019	2,865	4,808	-	-	-	48,067
Travel and meetings	3,261	7,895	3,123	3,147	-	340	-	47,799
Programming and supplies	-	-	2,885	-	-	-	-	3,265
Repairs and maintenance	8,460	-	-	2,100	-	-	-	12,697
Rent	4,785	-	-	74,400	-	750	-	149,730
Depreciation	13,603	-	-	876	-	22,300	-	36,779
Impairment of goodwill	-	-	-	1,390	-	-	-	1,390
Contracted services	5,160	-	816	8,031	-	-	-	34,763
Utilities	4,465	-	-	21,164	-	-	-	33,427
Insurance	2,905	-	62	3,667	-	(15)	-	16,808
Training	1,318	830	4,031	1,084	-	86	-	14,883
Printing and publications	237	31	10,333	355	-	-	-	16,994
Supplies	4,595	52	1,555	5,802	-	647	-	45,230
Postage	1,539	47	3,082	53	-	-	-	7,789
Equipment	11,707	-	-	396	9,557	-	-	33,683
Food and meals	162	50	80	222	-	-	-	1,558
Advertising	835	-	1,488	5,302	-	-	-	11,462
Hotels	-	-	-	-	31,216	-	-	32,081
Technical support	4,061	515	1,956	2,518	2,346	9,907	-	52,048
Miscellaneous	137	-	481	5,538	-	5,554	-	13,964
Client emergency needs	120	1,140	-	-	5,186	-	-	15,872
Memberships	632	-	25	606	-	28	-	4,362
Resource materials	15	-	-	30	-	200	-	675
Advisory and task force committee	-	-	-	-	-	-	-	100
Fundraising	-	-	-	-	-	-	25,147	25,147
<b>TOTAL</b>	<b>\$ 237,206</b>	<b>\$ 62,342</b>	<b>\$ 77,133</b>	<b>\$ 328,552</b>	<b>\$ 48,305</b>	<b>\$ 209,182</b>	<b>\$ 25,147</b>	<b>\$ 2,014,425</b>

**FEDERAL AWARDS INFORMATION  
AND OTHER REPORTS**



**SOMEPLACE SAFE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended September 30, 2017**

Federal Grantor Pass-Through Grantor Grant Program Title	Pass-Through Grant Numbers	Federal CFDA Number	Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Justice</b>				
Passed Through Minnesota Department of Public Safety Crime Victim Services 2017	A-CVS-2017-SOMEPLAC-00007	16.575	\$ 932,847	\$ -
Crime Victim Assistance/Discretionary Grants		16.582	<u>3,425</u>	<u>-</u>
<b>TOTAL</b>			<b><u>\$ 936,272</u></b>	<b><u>\$ -</u></b>

*(The 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, 2017**

**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, 2017. 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 Someplace Safe.

**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**

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

**SOMEPLACE SAFE**  
**SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS**  
**September 30, 2017**

**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. Three significant deficiencies were disclosed during the audit of the financial statements of the Organization. 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 the major federal programs for the Organization expresses an unmodified opinion on all major federal programs.
5. Audit findings relative to the major federal programs for the Organization are reported in Part 3 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 not determined to be a low-risk auditee.

**FINDINGS – FINANCIAL STATEMENTS AUDIT**

**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. Organization personnel do prepare periodic financial statements and other financial information for internal use that meets the needs of management and the Board of Directors. However, the Organization does not have the internal resources to prepare full-disclosure financial statements required by GAAP for external reporting. As auditors, we were requested to draft the financial statements and accompanying footnotes.

*Criteria:* Internal Controls over Financial Reporting include those related to the actual preparation and review of the audited financial statements. In order to prepare a complete set of financial statements in conformity with GAAP, the preparer must have the necessary expertise.

*Questioned Costs:* None.



**SOMEPLACE SAFE**  
**SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS**  
**September 30, 2017**

**FINDINGS – FINANCIAL STATEMENTS AUDIT (Continued)**

**2017-001. Preparation of Financial Statements and Related Footnotes (Continued)**

*Cause:* The Organization does not have the resources to compile their own financial statements.

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

*Recommendation:* This control deficiency is not unusual in smaller organizations. However, it is the responsibility of management and the Board of Directors to decide whether to accept the degree of risk associated with this condition based on the cost of correction and other considerations.

**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.

*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.

*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.

**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.

**SOMEPLACE SAFE**  
**SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS**  
**September 30, 2017**

**FINDINGS – FINANCIAL STATEMENTS AUDIT (Continued)**

**2017-003. Proposed Material Audit Adjustments (Continued)**

*Criteria:* A good system of internal control provides an adequate system for making all necessary adjustments.

*Questioned Costs:* None.

*Cause:* The Organization primarily uses a cash basis of accounting instead of the accrual basis of accounting.

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

*Recommendation:* The management and the Board of Directors of the Organization can review prior audit entries to identify entries consistently proposed in order to prepare those entries prior to the succeeding audit's field work.

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS AUDIT**

None.

**SOMEPLACE SAFE**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**September 30, 2017**

**STATUS OF PRIOR YEAR AUDIT FINDINGS**

The prior year audit contained three findings.

**2016-001. 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 noted again during the current year audit of the financial statements.

**2016-002. Inadequate Segregation of Duties**

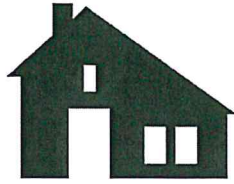
*Condition:* The Organization has a limited number office personnel and, accordingly, does not have adequate separation of duties. An effective internal control structure provides an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion.

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

**2016-003. 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 noted again during the current year audit of the financial statements.



**someplace safe**

SAFETY. OPTIONS. HOPE.

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

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## CORRECTIVE ACTION PLAN

January 3, 2018

### 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, 2017.

Name and address of independent public accounting firm:

CarlsonSV LLP  
2450 College Way  
Fergus Falls, Minnesota 56537

### Audit period: October 1, 2016 to September 30, 2017:

The findings from the September 30, 2017 schedule of current year audit findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Part 1 of the schedule, summary of audit results, does not include findings and is not addressed.

#### (1) Findings - Financial Statements Audit

##### Significant Deficiencies

##### **Item 2017-001. Preparation of Financial Statements and Related Notes**

*Recommendation* – This control deficiency is not unusual in smaller organizations. However, it is the responsibility of management and the Board of Directors to decide whether to accept the degree of risk associated with this condition based on the cost of correction and other considerations.

*Action Planned* – The Organization plans to document our review of the draft financial statements and related footnotes. After the review is documented, the Organization will be in a position of both fact and appearance to accept responsibility for the report.

##### **Item 2017-002. 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.

*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. Identify 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.

**Item 2017-003. Proposed Material Audit Adjustments**

*Recommendation* – The management and the Board of Directors review prior audit entries to identify entries consistently proposed in order to prepare those entries prior to the succeeding audit's fieldwork.

*Action Planned* – The Organization plans to have their bookkeeper review and post accrual adjustments to their accounts at each fiscal year-end.

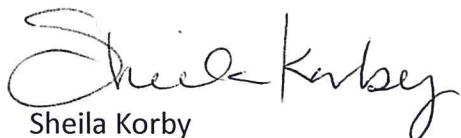
**Findings – Major Federal Awards Programs Audit Department of Housing and Urban**

**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

Someplace Safe | Executive Director

PO Box 815 | Fergus Falls, MN 56538-0815

Phone 218.739.3486 ext. 445 | Fax 844.316.3657

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