

SOMEPLACE SAFE

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Years Ended September 30, 2024 and 2023

DRAFT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Someplace Safe
Fergus Falls, Minnesota

Opinion

We have audited the accompanying financial statements of Someplace Safe (a nonprofit organization), which comprise the statements of financial position as of September 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Someplace Safe as of September 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Someplace Safe and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Someplace Safe's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Someplace Safe's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Someplace Safe's ability to continue as a going concern for a reasonable period of time.

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

Disclaimer of Opinion on Supplementary 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, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Carlson SV JH

Amery, Wisconsin
December 20, 2024

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SOMEPLACE SAFE
STATEMENTS OF FINANCIAL POSITION
September 30, 2024 and 2023

| ASSETS | | |
|---|---------------------|---------------------|
| | 2024 | 2023 |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 987,713 | \$ 1,201,952 |
| Certificates of deposit | 200,000 | - |
| Other receivables | 4,300 | 450 |
| Contributions and grants receivable | 483,268 | 89,211 |
| Inventories | 50,621 | 36,259 |
| Prepaid expenses | 11,389 | 4,505 |
| Total Current Assets | 1,737,291 | 1,332,377 |
| PROPERTY AND EQUIPMENT | | |
| Property and equipment | 545,710 | 545,710 |
| Accumulated depreciation | (313,747) | (293,022) |
| Property and Equipment, Net | 231,963 | 252,688 |
| OTHER ASSETS | | |
| Operating lease right-of-use asset | 475,073 | 175,591 |
| Security deposits | 5,600 | 5,600 |
| Goodwill, net | - | 1,390 |
| Other Assets, Net | 480,673 | 182,581 |
| TOTAL ASSETS | \$ 2,449,927 | \$ 1,767,646 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 56,376 | \$ 23,714 |
| Accrued expenses and other liabilities | 209,258 | 172,816 |
| Obligations under operating leases | 138,127 | 102,708 |
| Total Current Liabilities | 403,761 | 299,238 |
| LONG-TERM LIABILITIES | | |
| Obligations under operating leases | 330,596 | 55,826 |
| Total Liabilities | 734,357 | 355,064 |
| NET ASSETS | | |
| Without donor restrictions | 1,715,570 | 1,412,582 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 2,449,927 | \$ 1,767,646 |

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

SOMEPLACE SAFE
STATEMENTS OF ACTIVITIES
For the Years Ended September 30, 2024 and 2023

| | 2024 | | | 2023 | | |
|--|----------------------------|-------------------------|--------------|----------------------------|-------------------------|--------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| REVENUES, GAINS, AND OTHER SUPPORT | | | | | | |
| Contributions and grants | | | | | | |
| State financial assistance | \$ 2,032,399 | \$ - | \$ 2,032,399 | \$ 908,553 | \$ - | \$ 908,553 |
| Federal financial assistance | 356,197 | - | 356,197 | 706,799 | - | 706,799 |
| United Way services | 76,321 | - | 76,321 | 57,153 | - | 57,153 |
| Other grants and contracts | 119,985 | - | 119,985 | 74,651 | - | 74,651 |
| Fundraising events | 127,531 | - | 127,531 | 137,186 | - | 137,186 |
| In-kind contributions | 115,315 | - | 115,315 | 70,171 | - | 70,171 |
| All other contributions | 318,276 | - | 318,276 | 308,684 | - | 308,684 |
| Thrift store sales | 971,228 | - | 971,228 | 844,688 | - | 844,688 |
| Program service revenue (fines and PTC fees) | 148,322 | - | 148,322 | 137,795 | - | 137,795 |
| Interest | 15,362 | - | 15,362 | 9,766 | - | 9,766 |
| Other revenue | 7,498 | - | 7,498 | 16,367 | - | 16,367 |
| Total Revenues, Gains, and Other Support | 4,288,434 | - | 4,288,434 | 3,271,813 | - | 3,271,813 |
| EXPENSES | | | | | | |
| Program services | 3,481,981 | - | 3,481,981 | 2,922,370 | - | 2,922,370 |
| Support services | | | | | | |
| General and administrative | 366,547 | - | 366,547 | 305,632 | - | 305,632 |
| Fundraising | 136,918 | - | 136,918 | 169,029 | - | 169,029 |
| Total Expenses | 3,985,446 | - | 3,985,446 | 3,397,031 | - | 3,397,031 |
| CHANGE IN NET ASSETS | 302,988 | - | 302,988 | (125,218) | - | (125,218) |
| NET ASSETS, BEGINNING OF YEAR | 1,412,582 | - | 1,412,582 | 1,537,800 | - | 1,537,800 |
| NET ASSETS, END OF YEAR | \$ 1,715,570 | \$ - | \$ 1,715,570 | \$ 1,412,582 | \$ - | \$ 1,412,582 |

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

SOMEPLACE SAFE
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2024

| | <u>Program Services</u> | <u>Support Services</u> | | <u>Total</u> |
|-----------------------------------|-----------------------------|---|--------------------------|----------------------------|
| | | <u>General and Administrative</u> | <u>Fundraising</u> | |
| Salaries | \$ 1,766,323 | \$ 268,747 | \$ 91,279 | \$ 2,126,349 |
| Payroll taxes and fringe benefits | 363,639 | 60,890 | 13,149 | 437,678 |
| Communications | 76,337 | - | - | 76,337 |
| Travel and meetings | 95,855 | - | - | 95,855 |
| Repairs and maintenance | 13,537 | - | - | 13,537 |
| Rent | 251,925 | - | 1,073 | 252,998 |
| Depreciation | 16,578 | 4,147 | - | 20,725 |
| Impairment of goodwill | 1,390 | - | - | 1,390 |
| Contracted services | 39,611 | 32,738 | - | 72,349 |
| Utilities | 84,282 | - | - | 84,282 |
| Insurance | 23,566 | - | - | 23,566 |
| Training | 60,674 | - | - | 60,674 |
| Printing and publications | 17,503 | - | 480 | 17,983 |
| Supplies | 288,382 | - | 17,589 | 305,971 |
| Postage | 5,713 | - | 2,009 | 7,722 |
| Food and meals | 5,511 | - | 6,412 | 11,923 |
| Advertising | 8,594 | - | 500 | 9,094 |
| Hotels | 71,758 | - | - | 71,758 |
| Technical support | 76,450 | - | - | 76,450 |
| Miscellaneous | 29,200 | 25 | 4,427 | 33,652 |
| Client emergency needs | 183,393 | - | - | 183,393 |
| Prevention/awareness | 1,760 | - | - | 1,760 |
| TOTAL | <u>\$ 3,481,981</u> | <u>\$ 366,547</u> | <u>\$ 136,918</u> | <u>\$ 3,985,446</u> |

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

SOMEPLACE SAFE
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2023

| | <u>Program Services</u> | <u>Support Services</u> | | <u>Total</u> |
|-----------------------------------|-----------------------------|---|--------------------------|----------------------------|
| | | <u>General and Administrative</u> | <u>Fundraising</u> | |
| Salaries | \$ 1,516,684 | \$ 221,097 | \$ 112,526 | \$ 1,850,307 |
| Payroll taxes and fringe benefits | 288,733 | 47,269 | 16,193 | 352,195 |
| Communications | 75,065 | 78 | - | 75,143 |
| Travel and meetings | 75,313 | - | 1,344 | 76,657 |
| Repairs and maintenance | 13,970 | - | 60 | 14,030 |
| Rent | 224,374 | - | 20 | 224,394 |
| Depreciation | 16,443 | 3,563 | - | 20,006 |
| Impairment of goodwill | 1,390 | - | - | 1,390 |
| Contracted services | 36,798 | 33,625 | - | 70,423 |
| Utilities | 67,667 | - | - | 67,667 |
| Insurance | 21,880 | - | - | 21,880 |
| Training | 26,936 | - | 3,000 | 29,936 |
| Printing and publications | 21,355 | - | 1,440 | 22,795 |
| Supplies | 202,185 | - | 12,136 | 214,321 |
| Postage | 4,222 | - | 1,751 | 5,973 |
| Food and meals | 4,217 | - | 10,732 | 14,949 |
| Advertising | 8,036 | - | 1,199 | 9,235 |
| Hotels | 53,717 | - | - | 53,717 |
| Technical support | 31,001 | - | 785 | 31,786 |
| Miscellaneous | 19,444 | - | 7,843 | 27,287 |
| Client emergency needs | 196,806 | - | - | 196,806 |
| Prevention/awareness | 16,134 | - | - | 16,134 |
| TOTAL | <u>\$ 2,922,370</u> | <u>\$ 305,632</u> | <u>\$ 169,029</u> | <u>\$ 3,397,031</u> |

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

SOMEPLACE SAFE
STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2024 and 2023

| | <u>2024</u> | <u>2023</u> |
|--|--------------------------|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 302,988 | \$ (125,218) |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities | | |
| Depreciation | 20,725 | 20,005 |
| Impairment of goodwill | 1,390 | 1,390 |
| Net operating changes in | | |
| Other receivable | (3,850) | 64,544 |
| Contributions and grants receivable | (394,057) | 159,353 |
| Prepaid expenses | (6,884) | 18,253 |
| Inventories | (14,362) | - |
| Operating lease assets and liabilities | 10,707 | (17,057) |
| Accounts payable | 32,662 | (35,666) |
| Accrued expenses and other liabilities | 36,442 | 16,152 |
| Net Cash Provided (Used) by Operating Activities | <u>(14,239)</u> | <u>101,756</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of certificate of deposit | (200,000) | - |
| Acquisition of property and equipment | - | (14,381) |
| Net Cash Used by Investing Activities | <u>(200,000)</u> | <u>(14,381)</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (214,239) | 87,375 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>1,201,952</u> | <u>1,114,577</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u><u>\$ 987,713</u></u> | <u><u>\$ 1,201,952</u></u> |
| SUPPLEMENTAL DISCLOSURE | | |
| Cash paid for amounts included in the measurement of lease liabilities | | |
| Operating cash flows from operating leases | \$ 140,473 | \$ 115,194 |
| Right-of-use assets obtained in exchange for lease liabilities | | |
| Operating leases | 477,556 | 20,400 |

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

SOMEPLACE SAFE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024 and 2023

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 works to assist victims of domestic violence, sexual assault, sexual exploitation, sex trafficking, labor trafficking, and other crimes (including; stalking, elder abuse, identity theft, robbery, theft, etc.), as they navigate the social, emotional, and economic impacts faced as victims on the path to becoming survivors.

Local victim and survivors of crime, families, and communities are offered a myriad of services in a nine-county region in West Central Minnesota through advocacy offices, parenting time centers, and thrift stores.

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

Cash and Cash Equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents.

Receivables and Credit Policies

The Organization's receivables consist primarily of interest receivable on investments, unconditional promises to give and grants receivable. The Organization's policy is to review contributions, grants and other receivables periodically to evaluate the collectability of balances. Receivables are considered past due when payment is not received in accordance with agreed-upon terms.

As the Organization's program service revenue consists of parent time center fees that are due at the time services are rendered, no receivables are recognized for this revenue.

Interest Receivable

Interest income is recognized as it accrues on investments, and related receivables are recorded at the gross amount of interest earned but not yet received as of the financial statement date.

SOMEPLACE SAFE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024 and 2023

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

Contributions and Grants Receivable

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Grants receivable include amounts due from government and foundation grants. Grants receivable are conditional on the completion of specified program activities or other terms and are recognized as revenues when the conditions are met. Allowance for uncollectible contributions receivable is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions receivable are written off when deemed uncollectible. At September 30, 2024 and 2023, an evaluation of the aging and collectability of receivables indicated that no allowance was necessary.

Thrift Store Inventory

Inventory is comprised of donated merchandise held for sale in the thrift stores and is stated at fair market value.

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, 2024 and 2023 was \$0 and \$1,390, respectively. Impairment of goodwill was \$1,390 and \$1,390 for the years ended September 30, 2024 and 2023, respectively.

Property and Equipment

Property and equipment additions over \$5,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from three to thirty years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

SOMEPLACE SAFE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024 and 2023

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

Property and Equipment (Continued)

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended September 30, 2024 and 2023.

Right of Use Leased Assets and Liabilities

Right to use leased assets and the related liabilities are recognized at the lease commencement date and represent the Organization's right to use an underlying asset and lease obligations for the lease term. Right to use lease assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. The amortization period varies among the leases.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions

Net assets subject to donor (or certain grantor) restrictions. Some donor (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor 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. The Organization reports conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period.

SOMEPLACE SAFE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024 and 2023

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

Revenue and Revenue Recognition

Revenue is recognized from Parent Time Center services when performance obligations of providing the services are met. Thrift store sales are recognized at the time of purchase. The Organization records special events revenue equal to the cost of direct benefits to donors, and contribution revenue for the difference. All goods and services are transferred at a point in time.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. The Organization received cost-reimbursable grants of \$1,395,991 and \$673,534 that have not been recognized at September 30, 2024 and 2023, respectively, because qualifying expenditures have not yet been incurred. No amounts have been received in advance under federal and state contracts and grants.

In-Kind Contributions

Contributed nonfinancial assets includes donated thrift store inventory, shelter supplies and donated use of facilities. The Organization sells the inventory at its various thrift stores. The Organization does not sell donated shelter supplies. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

Advertising

Advertising costs are expensed as incurred and approximated \$9,094 and \$9,235 during the years ended September 30, 2024 and 2023, respectively.

SOMEPLACE SAFE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024 and 2023

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

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. 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.

Income Taxes

Someplace Safe is organized as a Minnesota nonprofit corporation and has been recognized by the IRS as exempt from federal income tax under IRC Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for the charitable contribution deduction, and have been determined not to be a private foundation. The Organization is annually required to file a Return of Organization exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Management has determined that the Organization is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

SOMEPLACE SAFE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024 and 2023

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

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash and certificates of deposit with financial institution believed by the Organization to be creditworthy. At times, amounts on deposit may exceed insured limits. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. As of September 30, 2024 and 2023, the Organization had approximately \$309,000 and \$307,000, respectively, in excess of FDIC insurance limits. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts receivable and promises to give are limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and organizations supportive of the Organization's mission.

Change in Accounting Principle

Allowance for Credit Losses

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were trade accounts receivable.

The Organization adopted the standard effective October 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

Subsequent Events

The Organization has evaluated subsequent events through December 20, 2024, the date the financial statements were available to be issued. Management has determined that there were no material events that would require recognition or disclosure in the Organization's financial statements through this date.

SOMEPLACE SAFE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024 and 2023

NOTE 2 – AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the financial position date, comprise the following at September 30:

| | | |
|--|----------------------------|----------------------------|
| Financial assets at year end | 2024 | 2023 |
| Cash and cash equivalents | \$ 987,713 | \$ 1,201,952 |
| Certificates of deposit | 200,000 | - |
| Receivables | 487,568 | 89,661 |
| Total Financial Assets | <u>1,675,281</u> | <u>1,291,613</u> |
| Less amounts not available to be used within one year | | |
| Net assets with donor restrictions | - | - |
| FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES OVER THE NEXT TWELVE MONTHS | <u>\$ 1,675,281</u> | <u>\$ 1,291,613</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 and certificates of deposit.

NOTE 3 – CERTIFICATES OF DEPOSIT

Certificates of deposit totaling \$200,000 at September 30, 2024 (\$0 at September 30, 2023) are included in certificates of deposit in the accompanying financial statements. The certificate bears interest at 5.30% at September 30, 2024 and has an initial maturity of seven months, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

SOMEPLACE SAFE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024 and 2023

NOTE 4 – CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable consist of the following at September 30, 2024 and 2023:

| | <u>2024</u> | <u>2023</u> |
|--|--------------------------|-------------------------|
| Unconditional promises to give - due within one year | \$ 27,750 | \$ 24,000 |
| Grants receivable | <u>455,518</u> | <u>65,211</u> |
| TOTAL | <u>\$ 483,268</u> | <u>\$ 89,211</u> |

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30:

| | <u>2024</u> | <u>2023</u> |
|--|--------------------------|--------------------------|
| Land, land improvements, and buildings | \$ 438,846 | \$ 438,846 |
| Equipment | <u>106,864</u> | <u>106,864</u> |
| TOTAL | <u>\$ 545,710</u> | <u>\$ 545,710</u> |

Depreciation expense on property and equipment was \$20,725 and \$20,006 for the years ended September 30, 2024 and 2023, respectively.

NOTE 6 – LEASES

The Organization leases certain office and retail facilities at various terms under long-term non-cancelable operating lease agreements. The leases expire at various dates through 2029 and provide for renewal options ranging from three to five years. The Organization includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The Organization's operating leases provide for increases in future minimum rental payments. Additionally, some of the operating lease agreements require the Organization to pay expenses based off the Organization's proportionate share of the leased facilities space.

SOMEPLACE SAFE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024 and 2023

NOTE 6 – LEASES (Continued)

The weighted-average discount rate is based on the discount rate implicit in the lease. The Organization has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Organization has applied the risk-free rate option to the office and retail facilities classes of assets.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

Total lease costs for the years ended September 30, 2024 and 2023 are as follows:

| | <u>2024</u> | <u>2023</u> |
|-----------------------|--------------------------|--------------------------|
| Operating lease cost | \$ 140,473 | \$ 115,194 |
| Short-term lease cost | <u>111,452</u> | <u>109,200</u> |
| TOTAL | <u>\$ 251,925</u> | <u>\$ 224,394</u> |

The following summarizes the weighted-average remaining lease-term and weighted average discount rate:

| | <u>2024</u> | <u>2023</u> |
|--|-------------|-------------|
| Weighted-average remaining lease term in years | | |
| Operating leases | 3.53 | 2.07 |
| Weighted-average discount rate | | |
| Operating leases | 3.91% | 4.12% |

SOMEPLACE SAFE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024 and 2023

NOTE 6 – LEASES (Continued)

The future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of September 30, 2024:

| | |
|---|------------------------------|
| September 30, 2025 | \$ 152,876 |
| September 30, 2026 | 138,666 |
| September 30, 2027 | 129,346 |
| September 30, 2028 | 53,734 |
| September 30, 2029 | <u>29,377</u> |
| Total lease payments | 503,999 |
| Less interest | <u>(35,276)</u> |
| PRESENT VALUE OF LEASE LIABILITIES | <u>\$ 468,723</u> |

NOTE 7 – CONTRIBUTED NONFINANCIAL ASSETS

For the years ended September 30, 2024 and 2023, contributed nonfinancial assets recognized within the statements of activities included the following:

| | 2024 | 2023 |
|----------------------|------------------------------|-----------------------------|
| Supplies for victims | \$ 114,415 | \$ 69,271 |
| Office rent | <u>900</u> | <u>900</u> |
| TOTAL | <u>\$ 115,315</u> | <u>\$ 70,171</u> |

Contributed supplies are valued using estimated prices of identical or similar products considering the goods' condition and utility for use at the time of the contribution. Contributed supplies are used in program services.

All contributed nonfinancial assets received during the years ended September 30, 2024 and 2023 were without donor restrictions.

SOMEPLACE SAFE
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024 and 2023

NOTE 8 – 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, 2024 and 2023, no profit sharing contributions were made.

NOTE 9 – ECONOMIC DEPENDENCY

Approximately 56 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

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SOMEPLACE SAFE
SCHEDULES OF PROGRAM SERVICES EXPENSES (unaudited)
For the Years Ended September 30, 2024 and 2023

| | 2024 | | | | | | | |
|-----------------------------------|------------------------|-------------------|--------------------|----------------------|-------------------|---------------------|-----------------------|---------------------|
| | Otter Tail Outreach | Grant Outreach | Wilkin Outreach | Traverse Outreach | Pope Outreach | Stevens Outreach | Big Stone Outreach | Douglas Outreach |
| Salaries | \$ 155,890 | \$ 61,492 | \$ 54,629 | \$ 21,857 | \$ 58,659 | \$ 46,318 | \$ 38,276 | \$ 164,741 |
| Payroll taxes and fringe benefits | 42,286 | 20,834 | 12,700 | 4,554 | 7,685 | 9,089 | 6,605 | 40,776 |
| Communications | 8,231 | 2,741 | 2,192 | 3,544 | 3,195 | 1,763 | 1,806 | 6,547 |
| Travel and meetings | 8,040 | 1,758 | 1,822 | 2,206 | 1,809 | 1,187 | 2,552 | 3,887 |
| Repairs and maintenance | 2,218 | - | - | - | 100 | 122 | 41 | - |
| Rent | 16,076 | 2,353 | 6,263 | 3,263 | 10,698 | 5,463 | 4,103 | 22,129 |
| Depreciation | 2,876 | - | - | - | - | - | - | - |
| Impairment of goodwill | - | - | - | - | - | - | - | - |
| Contracted services | 2,296 | 925 | 950 | 284 | 4,203 | 564 | 284 | 1,784 |
| Utilities | 8,250 | 652 | 3,743 | 386 | 846 | 2,047 | 567 | 554 |
| Insurance | 2,664 | 666 | 666 | 333 | 666 | 666 | 334 | 2,331 |
| Training | 4,557 | 1,024 | 2,276 | 597 | 642 | 4,280 | 672 | 4,172 |
| Printing and publications | 1,375 | 211 | 211 | 136 | 261 | 262 | 186 | 974 |
| Supplies | 65,216 | 7,293 | 12,293 | 5,162 | 14,564 | 13,822 | 11,896 | 34,306 |
| Postage | 661 | 103 | 360 | 139 | 146 | 385 | 84 | 532 |
| Food and meals | 530 | 16 | 127 | 25 | 49 | 15 | 20 | 214 |
| Advertising | 1,529 | 104 | 614 | 62 | 117 | 117 | 62 | 663 |
| Hotels | - | - | - | - | - | - | - | - |
| Technical support | 10,023 | 1,890 | 1,890 | 947 | 1,890 | 1,890 | 1,035 | 6,556 |
| Miscellaneous | 1,103 | 98 | 429 | 100 | 298 | 98 | 161 | 667 |
| Client emergency needs | 674 | 50 | - | - | 50 | 176 | - | 20,008 |
| Prevention/awareness | 650 | - | 30 | - | - | - | - | 1,075 |
| TOTAL | \$ 335,145 | \$ 102,210 | \$ 101,195 | \$ 43,595 | \$ 105,878 | \$ 88,264 | \$ 68,684 | \$ 311,916 |

| | 2023 | | | | | | | |
|-----------------------------------|------------------------|-------------------|--------------------|----------------------|------------------|---------------------|-----------------------|---------------------|
| | Otter Tail Outreach | Grant Outreach | Wilkin Outreach | Traverse Outreach | Pope Outreach | Stevens Outreach | Big Stone Outreach | Douglas Outreach |
| Salaries | \$ 160,288 | \$ 58,059 | \$ 46,771 | \$ 18,424 | \$ 53,448 | \$ 54,510 | \$ 18,580 | \$ 161,926 |
| Payroll taxes and fringe benefits | 43,202 | 20,008 | 8,250 | 5,576 | 7,841 | 7,780 | 6,029 | 29,433 |
| Communications | 9,164 | 3,069 | 2,554 | 3,034 | 3,052 | 2,379 | 1,136 | 6,751 |
| Travel and meetings | 2,183 | 1,547 | 2,594 | 2,035 | 1,744 | 2,206 | 1,952 | 1,791 |
| Repairs and maintenance | 5,475 | - | 3,309 | - | - | - | - | - |
| Rent | 13,253 | 2,205 | 5,094 | 2,793 | 11,133 | 5,999 | 4,080 | 21,243 |
| Depreciation | 2,157 | - | - | - | - | - | - | - |
| Impairment of goodwill | - | - | - | - | - | - | - | - |
| Contracted services | 4,665 | 904 | 8,628 | 485 | 904 | 1,804 | 485 | 3,198 |
| Utilities | 6,940 | 320 | 661 | 334 | 351 | 2,499 | 334 | 640 |
| Insurance | 2,789 | 632 | 698 | 440 | 698 | 698 | 374 | 2,416 |
| Training | 1,895 | 494 | 362 | 607 | 927 | 362 | 564 | 4,779 |
| Printing and publications | 1,889 | 430 | 630 | 281 | 370 | 470 | 281 | 1,466 |
| Supplies | 40,210 | 5,447 | 12,671 | 3,210 | 6,658 | 8,357 | 7,667 | 25,706 |
| Postage | 710 | 155 | 143 | 124 | 58 | 89 | 29 | 547 |
| Food and meals | 191 | 15 | 15 | 8 | 52 | 15 | 39 | 235 |
| Advertising | 390 | 48 | 1,250 | 346 | 136 | 59 | 117 | 359 |
| Hotels | 18 | - | - | - | - | - | - | 3,179 |
| Technical support | 2,715 | 670 | 690 | 339 | 670 | 670 | 339 | 2,655 |
| Miscellaneous | 700 | 99 | 269 | 53 | 274 | 99 | 153 | 706 |
| Client emergency needs | 1,936 | 1,021 | 7,669 | 17 | 77 | 231 | 17 | 56,125 |
| Prevention/awareness | - | - | - | 20 | 50 | - | - | 60 |
| TOTAL | \$ 300,770 | \$ 95,123 | \$ 102,258 | \$ 38,126 | \$ 88,443 | \$ 88,227 | \$ 42,176 | \$ 323,215 |

"The supplementary information contained herein is presented for additional analysis and is not a required part of the basic financial statements. The information has not been audited, and accordingly, the auditor does not express an opinion or provide any assurance on such information."

SOMEPLACE SAFE
SCHEDULES OF PROGRAM SERVICES EXPENSES (unaudited)
For the Years Ended September 30, 2024 and 2023

| 2024 | | | | | | | | | | |
|-------------------|-----------------------|-----------------------|------------------------|-----------------------|-------------------|------------------|-------------------|------------------------|---------------------|--|
| Wadena Outreach | Crime Victim Services | Parenting Time Center | SH Supportive Services | SH Regional Navigator | Development | Youth Advocate | Thrift Stores | Other Program Services | Total | |
| \$ 54,967 | \$ 118,325 | \$ 205,613 | \$ 54,032 | \$ 80,072 | \$ 46,907 | \$ 38,466 | \$ 450,979 | \$ 115,100 | \$ 1,766,323 | |
| 12,518 | 40,555 | 30,551 | 13,061 | 13,470 | 3,108 | 9,792 | 74,125 | 21,930 | 363,639 | |
| 2,283 | 2,095 | 9,889 | 1,142 | 1,875 | 6,347 | 1,027 | 16,032 | 5,628 | 76,337 | |
| 3,150 | 7,170 | 6,394 | 15,328 | 14,822 | 3,134 | 6,313 | 4,815 | 11,468 | 95,855 | |
| 1,607 | - | 6,546 | - | - | 100 | - | 1,853 | 950 | 13,537 | |
| 5,543 | 285 | 18,325 | 70 | 70 | 2,996 | 2,168 | 135,159 | 16,961 | 251,925 | |
| - | - | 13,702 | - | - | - | - | - | - | 16,578 | |
| - | - | - | - | - | - | - | 1,390 | - | 1,390 | |
| 564 | 1,119 | 2,259 | 8,073 | 6,147 | 903 | 559 | 6,458 | 2,239 | 39,611 | |
| 7,410 | 164 | 10,890 | 190 | 56 | 1,781 | 418 | 44,451 | 1,877 | 84,282 | |
| 666 | 1,332 | 2,664 | 369 | 369 | 999 | 666 | 7,806 | 369 | 23,566 | |
| 1,168 | 806 | 6,740 | 952 | 11,968 | 13,423 | 1,133 | 2,284 | 3,980 | 60,674 | |
| 211 | 322 | 829 | 211 | 92 | 9,893 | 57 | 1,227 | 1,045 | 17,503 | |
| 19,101 | 2,830 | 43,483 | 579 | 912 | 8,752 | 1,215 | 33,744 | 13,214 | 288,382 | |
| 213 | 49 | 282 | 68 | - | 2,081 | - | 340 | 270 | 5,713 | |
| 153 | 14 | 204 | - | 2,799 | 820 | 282 | 134 | 109 | 5,511 | |
| 569 | 111 | 634 | - | - | 71 | - | 3,652 | 289 | 8,594 | |
| - | - | - | - | - | - | - | - | 71,758 | 71,758 | |
| 1,890 | 3,100 | 10,739 | 43 | 43 | 6,722 | 1,043 | 21,375 | 5,374 | 76,450 | |
| 833 | 152 | 1,344 | 72 | 52 | 2,891 | 67 | 20,598 | 237 | 29,200 | |
| 666 | - | - | 26,452 | - | - | - | - | 135,317 | 183,393 | |
| - | - | 5 | - | - | - | - | - | - | 1,760 | |
| \$ 113,512 | \$ 178,429 | \$ 371,093 | \$ 120,642 | \$ 132,747 | \$ 110,928 | \$ 63,206 | \$ 826,422 | \$ 408,115 | \$ 3,481,981 | |

| 2023 | | | | | | | | | | |
|------------------|-----------------------|-----------------------|------------------------|-----------------------|------------------|------------------|-------------------|------------------------|---------------------|--|
| Wadena Outreach | Crime Victim Services | Parenting Time Center | SH Supportive Services | SH Regional Navigator | Development | Youth Advocate | Thrift Stores | Other Program Services | Total | |
| \$ 48,559 | \$ 86,907 | \$ 184,388 | \$ 52,414 | \$ 68,290 | \$ 7,744 | \$ 57,196 | \$ 413,817 | \$ 25,363 | \$ 1,516,684 | |
| 8,196 | 23,906 | 22,491 | 7,195 | 9,454 | 13,270 | 11,605 | 62,217 | 2,280 | 288,733 | |
| 2,298 | 2,284 | 11,170 | 1,707 | 2,433 | 7,264 | 1,192 | 15,578 | - | 75,065 | |
| 1,453 | 8,253 | 8,355 | 11,400 | 14,885 | 616 | 9,550 | 4,749 | - | 75,313 | |
| - | - | 4,227 | - | - | - | - | 959 | - | 13,970 | |
| 4,420 | 189 | 14,476 | 135 | 70 | 2,280 | 2,121 | 134,883 | - | 224,374 | |
| - | - | 14,286 | - | - | - | - | - | - | 16,443 | |
| - | - | - | - | - | - | - | 1,390 | - | 1,390 | |
| 922 | 1,058 | 3,049 | 436 | 471 | 907 | 578 | 8,304 | - | 36,798 | |
| 3,059 | 73 | 9,304 | 194 | 8 | 328 | 685 | 41,937 | - | 67,667 | |
| 698 | 698 | 2,585 | 281 | 281 | 969 | 646 | 6,977 | - | 21,880 | |
| 983 | 553 | 4,510 | 230 | 8,704 | 392 | 876 | 698 | - | 26,936 | |
| 501 | 582 | 1,530 | 706 | 560 | 7,499 | 879 | 3,281 | - | 21,355 | |
| 10,462 | 2,958 | 30,539 | 1,642 | 3,450 | 253 | 3,229 | 39,552 | 174 | 202,185 | |
| 385 | 26 | 476 | - | 52 | 1,219 | - | 209 | - | 4,222 | |
| 51 | 15 | 147 | 15 | 2,799 | 292 | 193 | 135 | - | 4,217 | |
| 259 | 54 | 295 | - | - | 1,139 | 50 | 3,534 | - | 8,036 | |
| - | - | - | - | - | - | - | - | 50,520 | 53,717 | |
| 670 | 662 | 5,089 | 70 | 119 | 8,621 | 544 | 6,478 | - | 31,001 | |
| 111 | 45 | 1,539 | 49 | - | 356 | 76 | 14,915 | - | 19,444 | |
| 4,131 | - | - | 13,230 | - | 420 | 1,270 | - | 110,662 | 196,806 | |
| 10 | - | - | - | 15,994 | - | - | - | - | 16,134 | |
| \$ 87,168 | \$ 128,263 | \$ 318,456 | \$ 89,704 | \$ 127,570 | \$ 53,569 | \$ 90,690 | \$ 759,613 | \$ 188,999 | \$ 2,922,370 | |



COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE

December 20, 2024

To the Board of Directors
Someplace Safe
Fergus Falls, Minnesota

We have audited the financial statements of Someplace Safe for the year ended September 30, 2024, and we will issue our report thereon dated December 20, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 16, 2024. Professional standards also require that we communicate to you the following information related to our audit.

SIGNIFICANT AUDIT MATTERS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. As described in Note 1, the Organization implemented ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, in the current year. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the property and equipment useful lives, valuation of thrift store inventory balance, valuation of contributed nonfinancial assets, and functional allocation of expenses. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Adjusting journal entries are attached to this letter for your review that were approved by management and posted to the financial statements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or to the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 20, 2024.

Management Consultations with Other Independent Accountants


In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Someplace Safe and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,


Amery, Wisconsin

Client: SOMEPLACE SAFE
Report: Adjusting Journal Entries

| Account | Description | Workpaper Reference | Debit | Credit | Net Income Effect |
|---|---------------------------------------|---------------------|-------------------|-------------------|-------------------|
| 1 | | BB-06 | | | |
| To record in kind donations. | | | | | |
| 00-4022 | In-Kind Donations | | 0.00 | 115,315.03 | |
| 00-6086 | In-Kind Expenses | | 115,315.03 | 0.00 | |
| Total | | | 115,315.03 | 115,315.03 | 0.00 |
| 2 | | B-06 | | | |
| To adjust United Way promises to give. | | | | | |
| 00-1100 | Promises to Give | | 3,750.00 | 0.00 | |
| 00-4040 | United Way | | 0.00 | 3,750.00 | |
| Total | | | 3,750.00 | 3,750.00 | 3,750.00 |
| 3 | | G-03.1 | | | |
| To record payable for overpaid United Way grant proceeds received. | | | | | |
| 00-2000 | Accounts Payable | | 0.00 | 6,909.38 | |
| 00-4040 | United Way | | 6,909.38 | 0.00 | |
| Total | | | 6,909.38 | 6,909.38 | (6,909.38) |
| 4 | | | | | |
| To adjust posting of direct client assistance out of rent | | | | | |
| 00-6032 | Client Emergency Needs | | 1,250.00 | 0.00 | |
| 00-6040 | Rent | | 0.00 | 1,250.00 | |
| Total | | | 1,250.00 | 1,250.00 | 0.00 |
| 5 | | C-03 | | | |
| To adjust Thrift Store inventories to estimated amount at year-end | | | | | |
| 00-1230 | Thrift Store Inventory - Alex | | 5,662.00 | 0.00 | |
| 00-4045 | Thrift Store - Alex | | 0.00 | 5,662.00 | |
| 00-1232 | Thrift Store Inventory - Morris | | 2,461.00 | 0.00 | |
| 00-4085 | Thrift Store - Morris | | 0.00 | 2,461.00 | |
| 00-1233 | Thrift Store Inventory - Fergus Falls | | 6,239.00 | 0.00 | |
| 00-4088 | Thrift Store - Fergus Falls | | 0.00 | 6,239.00 | |
| Total | | | 14,362.00 | 14,362.00 | 14,362.00 |
| 6 | | | | | |
| To adjust for right of use asset and liability. | | | | | |
| 00-1460 | Right-of-Use Asset | | 299,482.46 | 0.00 | |
| | Noncurrent Operating Lease | | | | |
| 00-2052 | Obligations | | 0.00 | 274,769.98 | |
| 00-2051 | Operating Lease Liability | | 0.00 | 35,419.58 | |
| 00-1210 | Prepaid Expenses | | 6,350.00 | 0.00 | |
| 00-6040 | Rent | | 4,357.20 | 0.00 | |
| Total | | | 310,189.66 | 310,189.56 | (4,357.20) |
| 7 | | | | | |
| To adjust accrued salaries to actual, per client (Client has already adjusted). | | | | | |
| 00-6000-05 | Big Stone County | | 2,306.10 | 0.00 | |
| 00-6000-10 | Grant County | | 2,791.63 | 0.00 | |
| 00-6000-15 | Traverse County | | 706.10 | 0.00 | |
| 00-6000-20 | Wilkin County | | 2,515.88 | 0.00 | |
| 00-6000-25 | Pope County | | 2,677.36 | 0.00 | |

| | | | | |
|--------------------|-----------------------------|--------------------------|--------------------------|---------------------------|
| 00-6000-30 | Stevens County | 4,520.10 | 0.00 | |
| 00-6000-35 | Ottertail County | 16,436.82 | 0.00 | |
| 00-6000-40 | Douglas County | 7,867.51 | 0.00 | |
| 00-6000-45 | PTC | 7,756.35 | 0.00 | |
| 00-6000-55 | Development | 8,728.47 | 0.00 | |
| 00-6000-65 | Thrift Store - Alex | 6,659.82 | 0.00 | |
| 00-6000-70 | Thrift Store - Fergus Falls | 6,849.57 | 0.00 | |
| 00-6000-75 | Wadena | 2,465.88 | 0.00 | |
| 00-6000-85 | Thrift Store - Morris | 5,887.92 | 0.00 | |
| 00-6000-93 | DV Housing First | 66.31 | 0.00 | |
| 00-6000-95 | CVS | 2,766.07 | 0.00 | |
| 00-6000-99 | DHC Safe Harbors | 7,251.23 | 0.00 | |
| 00-6006 | Payroll Taxes | 6,640.00 | 0.00 | |
| 00-6007 | MN Unemployment tax | 285.91 | 0.00 | |
| 00-2010 | Accrued Salaries | 0.00 | 95,179.03 | |
| Total | | <u>95,179.03</u> | <u>95,179.03</u> | <u>(95,179.03)</u> |
| GRAND TOTAL | | <u>546,955.10</u> | <u>546,955.00</u> | <u>(88,333.61)</u> |

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COMMUNICATION ON INTERNAL CONTROL

To the Board of Directors and Management
Someplace Safe
Fergus Falls, Minnesota

In planning and performing our audit of the consolidated financial statements of Someplace Safe as of and for the year ended September 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered Someplace Safe's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidated 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiency in Someplace Safe's internal control to be a significant deficiency:

Inadequate Segregation of Duties

Due to the relatively small number of people employed in administrative functions, ideal segregation of duties cannot be achieved. This is not unusual for an organization of your size; however, the lack of segregation of duties increase the risk of fraud related to misappropriation of assets, financial statement misstatement, or both. The Board of Directors and management should constantly be aware of this condition. It is the responsibility of management and those charge with governance to make the decision to accept the degree of risk associated with this condition because of cost or other considerations. While we recognize it may not be cost effective to justify implementing a full segregation of duties for an extensive system of internal control in all areas, we believe it is important that management and those charged with governance are aware that some weaknesses may exist and that they should continue to apply diligent oversight and monitoring activities.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the Organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Carlson SV JH

Amery, Wisconsin
December 20, 2024



someplace safe
SAFETY. OPTIONS. HOPE.

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

MANAGEMENT REPRESENTATION LETTER

December 20, 2024

CarlsonSV LLP
301 Keller Avenue S.
Amery, WI 54001

This representation letter is provided in connection with your audit of the financial statements of Someplace Safe, which comprise the statements of financial position as of September 30, 2024 and 2023 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the disclosures (collectively, the “financial statements”), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 20, 2024, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 16, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- 8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Organization's accounts.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- 11) Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.
- 12) Receivables recorded in the financial statements represent valid claims against debtors for sales or other charges arising on or before the balance sheet date and have been reduced to their estimated net realizable value.
- 13) Revenue from contracts with customers has been appropriately accounted for and disclosed in accordance with FASB ASC 606, *Revenue from Contracts with Customers*. All contracts underlying revenue recognized in the financial statements have commercial substance and have been approved by appropriate parties. We have considered side agreements, implied promises, and unstated customary business practices in identifying performance obligations in the contracts. We have sufficient and appropriate documentation supporting all estimates and judgments underlying the amount and timing of revenue recognized in the financial statements.
- 14) We have analyzed all lease contracts and have considered and recorded material embedded leases contained within other contracts in accordance with FASB ASC 842, *Leases*.
- 15) We have analyzed all financial instruments and appropriately recorded and/or disclosed expected credit losses in accordance with FASB ASC 326, *Financial Instruments – Credit Losses*.
- 16) We have no plans or intentions to discontinue the operations of any program or discontinue any significant services or activities.

Information Provided

- 17) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 18) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 19) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 20) We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 21) We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
- 22) We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- 23) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 24) We have disclosed to you the names of all of the Organization's related parties and all the related party relationships and transactions, including any side agreements.
- 25) The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 26) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
- 27) Someplace Safe is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.

28) In regard to the financial statement presentation, maintenance of depreciation records and tax preparation services performed by you, we have—

- Assumed all management responsibilities.
- Designated Sheila Korby who has suitable skill, knowledge, or experience to oversee the services.
- Evaluated the adequacy and results of the services performed.
- Accepted responsibility for the results of the services.
- Ensured that the data and records are complete and we have sufficient information to oversee the services.

Signature: _____

Title: Executive Director