



Financial Statements

360 Communities

Burnsville, Minnesota

For the years ended September 30, 2022 and 2021



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360 Communities
Annual Financial Report
Table of Contents
For the Years Ended September 30, 2022 and 2021

	<u>Page No.</u>
Independent Auditor's Report	3
Financial Statements	
Statements of Financial Position	6
Statements of Activities	8
Statements of Functional Expenses	10
Statement of Cash Flows	12
Notes to the Financial Statements	13
Single Audit and Other Required Reports	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	25
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	27
Schedule of Expenditures of Federal Awards	30
Notes to the Schedule of Expenditures of Federal Awards	31
Schedule of Findings and Questioned Costs	32

INDEPENDENT AUDITOR'S REPORT

Board of Directors
360 Communities
Burnsville, Minnesota

Opinion

We have audited the accompanying financial statements of 360 Communities (a nonprofit organization), which comprise the statements of financial position as of September 30, 2022 and 2021, 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 360 Communities as of September 30, 2022 and 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 360 Communities and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 360 Communities 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, including omissions, 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 the Organization'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 the Organization'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.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2023 on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



Abdo
Minneapolis, Minnesota
February 7, 2023



FINANCIAL STATEMENTS

360 Communities
Statements of Financial Position
September 30, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,457,341	\$ 1,066,092
Restricted cash	10,808	10,808
Government grants and contracts receivable	339,667	561,593
Pledges receivable	14,625	106,207
Prepaid expenses	41,997	44,190
Total Current Assets	1,864,438	1,788,890
Property and Equipment, Net		
Land	94,950	94,950
Buildings	510,738	510,738
Leasehold and building improvements	625,339	625,339
Equipment and furniture	693,054	663,511
Total Property and Equipment	1,924,081	1,894,538
Less: Accumulated Depreciation and Amortization	(1,508,258)	(1,422,376)
Total Property and Equipment, Net	415,823	472,162
Noncurrent Assets		
Pledges receivable, noncurrent	-	8,291
Unemployment Services Trust fund	69,175	134,604
Investments	688,835	779,506
Endowment, net of discount	300,962	300,193
Total Other Noncurrent Assets	1,058,972	1,222,594
Total Assets	\$ 3,339,233	\$ 3,483,646

See Independent Auditor's Report and Notes to the Financial Statements.

360 Communities
Statements of Financial Position (Continued)
September 30, 2022 and 2021

	2022	2021
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 65,954	\$ 42,636
Accrued payroll and related expenses	361,143	343,622
Deferred revenues	302,658	115,194
Capital lease, current portion	12,336	11,593
Total Current Liabilities	742,091	513,045
Noncurrent Liabilities		
Capital lease	7,072	20,393
Total Liabilities	749,163	533,438
Net Assets		
Without donor restrictions	2,117,303	2,141,385
With donor restrictions	472,767	808,823
Total Net Assets	2,590,070	2,950,208
Total Liabilities and Net Assets	\$ 3,339,233	\$ 3,483,646

See Independent Auditor's Report and Notes to the Financial Statements.

360 Communities
Statements of Activities
For the Year Ended September 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support			
United Way	\$ 13,892	\$ -	\$ 13,892
Government grants	3,472,493	-	3,472,493
Contributions	673,517	1,083,935	1,757,452
In-kind donations	1,462,109	-	1,462,109
Special events, less costs of direct benefit to donors of \$105,667	259,433	-	259,433
Total Support	5,881,444	1,083,935	6,965,379
Revenue			
Investment income	(94,127)	-	(94,127)
Miscellaneous	770	-	770
Total Revenue	(93,357)	-	(93,357)
Net Assets Released from Restriction Satisfaction of program restrictions	1,419,991	(1,419,991)	-
Total Support and Revenue	7,208,078	(336,056)	6,872,022
Expenses			
Program services			
Violence Prevention Intervention	2,096,061	-	2,096,061
Community Resources	2,772,197	-	2,772,197
School Success	1,197,607	-	1,197,607
Total Program Expenses	6,065,865	-	6,065,865
Supporting services			
Management and general	767,759	-	767,759
Fundraising	398,536	-	398,536
Total Supporting Services	1,166,295	-	1,166,295
Total Expenses	7,232,160	-	7,232,160
Change In Net Assets	(24,082)	(336,056)	(360,138)
Beginning Net Assets	2,141,385	808,823	2,950,208
Ending Net Assets	\$ 2,117,303	\$ 472,767	\$ 2,590,070

See Independent Auditor's Report and Notes to the Financial Statements.

360 Communities
Statements of Activities (Continued)
For the Year Ended September 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support			
United Way	\$ 63,647	\$ -	\$ 63,647
Government grants	3,434,621	-	3,434,621
Contributions	1,996,136	210,279	2,206,415
In-kind donations	1,527,831	-	1,527,831
Special events, less costs of direct benefit to donors of \$24,417	187,639	-	187,639
Total Support	7,209,874	210,279	7,420,153
Revenue			
Investment income	112,233	-	112,233
Miscellaneous	300	-	300
Total Other Revenue	112,533	-	112,533
Net Assets Released from Restriction Satisfaction of program restrictions	268,550	(268,550)	-
Total Support and Revenue	7,590,957	(58,271)	7,532,686
Expenses			
Program services			
Violence Prevention Intervention	2,154,169	-	2,154,169
Community Resources	2,484,540	-	2,484,540
School Success	1,149,668	-	1,149,668
Total Program Services	5,788,377	-	5,788,377
Supporting services			
Management and general	710,001	-	710,001
Fundraising	356,375	-	356,375
Total Supporting Services	1,066,376	-	1,066,376
Total Expenses	6,854,753	-	6,854,753
Change In Net Assets	736,204	(58,271)	677,933
Beginning Net Assets	1,405,181	867,094	2,272,275
Ending Net Assets	\$ 2,141,385	\$ 808,823	\$ 2,950,208

See Independent Auditor's Report and Notes to the Financial Statements.

360 Communities
Statements of Functional Expenses
For the Year Ended September 30, 2022

	Program Services				Support Services			Total
	Violence Prevention Intervention	Community Resources	School Success	Total Program Services	Management and General	Fundraising	Total Support Services	
Salaries and wages	\$ 1,378,620	\$ 645,537	\$ 924,491	\$ 2,948,648	\$ 400,593	\$ 262,272	\$ 662,865	\$ 3,611,513
Employee benefits	153,823	86,162	115,005	354,990	53,457	36,125	89,581	444,572
Payroll taxes	95,602	21,637	39,981	157,220	4,586	3,099	7,686	164,905
Total Salaries and Related Expenses	<u>1,628,045</u>	<u>753,336</u>	<u>1,079,477</u>	<u>3,460,858</u>	<u>458,636</u>	<u>301,496</u>	<u>760,132</u>	<u>4,220,990</u>
Conferences and events	9,405	2,691	7,381	19,477	27,738	38,604	66,342	85,819
Equipment, furnishings and repairs	58,310	17,113	9,186	84,609	6,268	2,431	8,699	93,308
Groceries and special assistance	34,852	1,655,474	17,426	1,707,752	34,852	-	34,852	1,742,604
Insurance	10,806	3,907	4,304	19,017	4,228	-	4,228	23,245
Interest	-	-	-	-	2,433	-	2,433	2,433
Miscellaneous	2,843	4,078	179	7,100	57	100	157	7,257
Occupancy	198,906	218,726	12,452	430,084	55,262	8,380	63,642	493,726
Postage	648	156	24	828	734	6,614	7,348	8,176
Printing	4,961	2,465	1,411	8,837	7,019	20,495	27,514	36,351
Professional services	56,192	58,091	40,930	155,213	126,012	14,650	140,662	295,875
Program materials	25,623	2,793	3,492	31,908	4,510	186	4,696	36,604
Supplies	8,148	5,811	2,727	16,686	3,881	1,233	5,114	21,800
Telephone	20,810	12,271	7,554	40,635	6,789	3,328	10,117	50,752
Transportation	9,975	2,498	11,064	23,537	2,782	1,019	3,801	27,338
Total Expenses Before Depreciation	<u>2,069,524</u>	<u>2,739,410</u>	<u>1,197,607</u>	<u>6,006,541</u>	<u>741,201</u>	<u>398,536</u>	<u>1,139,737</u>	<u>7,146,278</u>
Depreciation and amortization	<u>26,537</u>	<u>32,787</u>	<u>-</u>	<u>59,324</u>	<u>26,558</u>	<u>-</u>	<u>26,558</u>	<u>85,882</u>
Total Expenses	<u><u>\$ 2,096,061</u></u>	<u><u>\$ 2,772,197</u></u>	<u><u>\$ 1,197,607</u></u>	<u><u>\$ 6,065,865</u></u>	<u><u>\$ 767,759</u></u>	<u><u>\$ 398,536</u></u>	<u><u>\$ 1,166,295</u></u>	<u><u>\$ 7,232,160</u></u>

See Independent Auditor's Report and Notes to the Financial Statements.

360 Communities
Statements of Functional Expenses (Continued)
For the Year Ended September 30, 2021

	Program Services				Support Services			Total
	Violence Prevention Intervention	Community Resources	School Success	Total Program Services	Management and General	Fundraising	Total Support Services	
Salaries and wages	\$ 1,304,859	\$ 422,327	\$ 859,266	\$ 2,586,452	\$ 452,252	\$ 229,975	\$ 682,227	\$ 3,268,679
Employee benefits	128,804	67,450	86,688	282,942	26,554	26,456	53,010	335,952
Payroll taxes	91,069	47,690	61,292	200,051	18,774	18,774	37,548	237,599
Total Salaries and Related Expenses	<u>1,524,732</u>	<u>537,467</u>	<u>1,007,246</u>	<u>3,069,445</u>	<u>497,580</u>	<u>275,205</u>	<u>772,785</u>	<u>3,842,230</u>
Conferences and events	9,524	4,249	6,262	20,035	10,358	16,741	27,099	47,134
Equipment, furnishings and repairs	48,889	31,855	18,438	99,182	16,717	956	17,673	116,855
Groceries and special assistance	43,586	1,557,464	115	1,601,165	-	-	-	1,601,165
Insurance	10,691	2,468	1,194	14,353	4,882	-	4,882	19,235
Interest	9,885	3,213	6,816	19,914	1,976	1,196	3,172	23,086
Miscellaneous	3,079	4,223	1,240	8,542	673	64	737	9,279
Occupancy	334,094	197,269	18,879	550,242	50,361	14,970	65,331	615,573
Postage	1,601	541	565	2,707	1,146	5,230	6,376	9,083
Printing	7,074	3,179	3,332	13,585	4,629	13,252	17,881	31,466
Professional services	69,396	46,767	58,489	174,652	107,305	20,549	127,854	302,506
Program materials	20,573	39,355	5,295	65,223	358	217	575	65,798
Supplies	6,847	10,742	2,619	20,208	7,148	1,469	8,617	28,825
Telephone	19,500	10,759	6,822	37,081	4,956	4,624	9,580	46,661
Transportation	5,068	1,170	5,565	11,803	212	710	922	12,725
Total Expenses Before Depreciation	<u>2,114,539</u>	<u>2,450,721</u>	<u>1,142,877</u>	<u>5,708,137</u>	<u>708,301</u>	<u>355,183</u>	<u>1,063,484</u>	<u>6,771,621</u>
Depreciation and amortization	<u>39,630</u>	<u>33,819</u>	<u>6,791</u>	<u>80,240</u>	<u>1,700</u>	<u>1,192</u>	<u>2,892</u>	<u>83,132</u>
Total Expenses	<u>\$ 2,154,169</u>	<u>\$ 2,484,540</u>	<u>\$ 1,149,668</u>	<u>\$ 5,788,377</u>	<u>\$ 710,001</u>	<u>\$ 356,375</u>	<u>\$ 1,066,376</u>	<u>\$ 6,854,753</u>

See Independent Auditor's Report and Notes to the Financial Statements.

360 Communities
Statements of Cash Flows
For the Years Ended September 30, 2022 and 2021

	2022	2021
Cash Flows From Operating Activities		
Change in net assets	\$ (360,138)	\$ 677,933
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	85,882	83,132
Unrealized (gain) loss on investments	134,223	(74,993)
Changes in assets:		
Government grants and contracts receivable	221,926	(175,479)
Pledges receivable	99,873	(74,999)
Prepaid expenses	2,193	2,234
Unemployment Services Trust fund	65,429	(32,509)
Changes in liabilities:		
Accounts payable	23,318	21,233
Accrued expenses	17,521	110,168
Deferred revenues	187,464	(80,679)
Net Cash Provided by Operating Activities	477,691	456,041
Cash Flows From Investing Activities		
Purchase of property and equipment	(29,543)	(87,127)
Purchase of investments	(43,552)	(20,274)
Contribution to endowment investment	(769)	(1,130)
Net Cash Used by Investing Activities	(73,864)	(108,531)
Cash Flows From Financing Activities		
Payments of notes payable	-	(211,529)
Payments of capital lease obligations	(12,578)	(9,653)
Net Cash Used By Financing Activities	(12,578)	(221,182)
Change In Cash and Cash Equivalents	391,249	126,328
Beginning Cash and Cash Equivalents	1,076,900	950,572
Ending Cash and Cash Equivalents	\$ 1,468,149	\$ 1,076,900
Reconciliation of Cash Cash Equivalents and Restricted Cash		
Amounts reported in the Statement of Financial Position that sum to the total above:		
Cash and cash equivalents	\$ 1,457,341	\$ 1,066,092
Restricted cash	10,808	10,808
Total Cash, Cash Equivalents and Restricted Cash	\$ 1,468,149	\$ 1,076,900
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the year for:		
Interest	\$ 2,433	\$ 12,725

See Independent Auditor's Report and Notes to the Financial Statements.

360 Communities
Notes to the Financial Statements
For the Years Ended September 30, 2022 and 2021

Note 1: Summary of Significant Accounting Policies

A. Nature of Activities

360 Communities (the Organization) is a nonprofit corporation organized under the laws of the State of Minnesota to provide human services. Its mission: "360 Communities delivers safety and stability that improves lives."

For nearly 50 years, the Organization has provided hope and support to the people in Dakota County and eastern Scott County of Minnesota with programs in more than 40 locations to prevent violence, ensure school success, and promote long-term stability. Working in partnership with volunteers, schools, faith communities, service organizations, and businesses, the Organization provides holistic support to people with these integrated program areas:

- **Violence Prevention and Intervention** - A program that includes domestic and sexual violence shelters, sexual assault services, outreach advocacy, and educational services. Trained advocates provide emotional support, safety planning, court advocacy, and referrals to community resources and other 360 Communities programs. Outreach advocates are located in 10 law enforcement agencies, providing on-location services and resources to abuse victims. Violence prevention advocates give presentations in schools, provide training, and host other community engagement events to educate our community about domestic and sexual violence.
- **School Success** - 360 Communities' two school success programs ensure children arrive at school ready to learn. Child Care Aware is a program that works with licensed and unlicensed childcare providers, parents, and other community organizations to promote the availability, affordability, and quality of child care services in Dakota County. Partners For Success® employs family support workers in 29 schools and six school districts to partner with educators and families. Family support workers implement effective home-based strategies to increase parental involvement, improve academic performance, and connect families to community resources.
- **Community Resources** - A network of five food shelves and two-family resource centers in Dakota County provide healthy food support, financial resources, housing support, advocacy, and connections to other stabilizing resources. This program establishes a foundation on which people can build a hopeful future and create sustainable success.

B. Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with United States generally accepted accounting principles. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and related changes are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations or where donor imposed stipulations are met in the year of the contribution. These net assets are subject to the Board of Directors' discretionary control.

Net Assets With Donor Restrictions - Net assets with donor restrictions are those resources subject to donor-imposed restrictions, which will be satisfied by actions of the Organization or passage of time. The Organization had net assets with donor restrictions consisted of \$543,741 and \$808,823 at September 30, 2022 and 2021.

C. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

360 Communities
Notes to the Financial Statements
For the Years Ended September 30, 2022 and 2021

Note 1: Summary of Significant Accounting Policies (Continued)

D. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

E. Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Restricted cash reported on the Statements of Financial Position and certificates of deposit and cash restricted to permanent endowment are excluded from this definition.

F. Restricted Cash

Restricted cash consists of collateral and interest reserve intended for the Organization's notes payable with US Bank.

G. Certificates of Deposit

The Organization has invested in a certificate of deposit. The certificate of deposit is invested at Castle Rock Bank, that bears interest at a rate of .4 percent, and matures on July 15, 2023. The value of the certificate of deposit at September 30, 2022 and 2021 was \$32,427 and \$32,308, respectively.

H. Government Grants and Contracts Receivable

Accounts receivable consists primarily of noninterest-bearing amounts due for services provided under grant and service contracts with governmental agencies, and generally the Organization considers such agreements to be exchange transactions. Receivables arising from such government grants and contracts are recorded at their net realizable value, and generally no collateral is required. The Organization follows a policy of providing an allowance for doubtful accounts; however, the Organization considers all accounts to be collectible and thus an allowance is not necessary. The receivables are expected to be collected within the following year. Amounts receivable under governmental contracts would be considered delinquent if the account is more than 90 days past the original due date and are written off when such accounts are determined to be uncollectible. There were no significant delinquent government contracts receivable at September 30, 2022 and 2021.

I. Pledges Receivable

Unconditional pledges receivable expected to be collected within one year are recorded at net realizable value. Unconditional pledges receivable expected to be collected in future years are initially recorded at fair value using present value techniques. The Organization follows a policy of providing an allowance for uncollectible pledges receivable based upon management's judgment, including such factors as prior collection history and type of contribution. Management considers its pledges receivable related to its endowment program and its other grant receivables are fully collectible in all material respects and thus an allowance is not considered necessary for those receivables.

360 Communities
Notes to the Financial Statements
For the Years Ended September 30, 2022 and 2021

Note 1: Summary of Significant Accounting Policies (Continued)

J. Property and Equipment

Property and equipment are recorded at cost or, in the case of contributed property, at fair value at the date of contribution. Expenditures for replacements, maintenance, and repairs that do not improve or extend the life of the respective assets are expensed as incurred. At the time assets are retired or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is included in the statement of activities. The Organization generally capitalizes asset purchases over \$1,000. Useful lives on property and equipment are estimated as follows:

Leasehold and Building Improvements	3 - 15 years
Equipment and Furnishings	5 - 10 years
Buildings	19 years

For the years ended September 30, 2022 and 2021, depreciation expense was \$85,882 and \$83,132.

K. Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional pledges receivable are not recognized until the conditions on which they depend have been substantially met.

L. Donated Services and In-kind Contributions

Volunteers contribute significant amounts of time to the Organization's 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. Contributions of facility usage, materials, or qualifying services are recorded at their estimated fair value at the date of receipt. The Organization utilizes donated in-kind space for services provided using the estimated fair value market rate of similar properties. Donated space recorded totaled \$209,118 and \$209,118 for the years ended September 30, 2022 and 2021. The value of the donated materials is calculated by weighing items and applying an estimated value per pound. Contributed food shelf materials recorded as in-kind contributions totaled \$1,196,939 and \$1,322,493 for the years ended September 30, 2022 and 2021.

M. Contributions

Contributions received are recorded as donor restricted support depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for general operations unless specifically restricted by the donor. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as being without donor restriction.

N. Functional Allocation of Expenses

The costs of program and supporting services 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 attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation and amortization, which are allocated on a square footage basis, as well as salaries, employee benefits, payroll taxes, telephone, printing, and insurance, which are allocated on the basis of estimates of time and effort.

360 Communities
Notes to the Financial Statements
For the Years Ended September 30, 2022 and 2021

Note 1: Summary of Significant Accounting Policies (Continued)

O. Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Minnesota Statute 290.05. Because the Organization is a public charity, contributions to it may be deductible for tax purposes.

P. Subsequent Events

Subsequent events have been evaluated through February 7, 2023, the date of the financial statements were available for issuance.

Q. New Accounting Pronouncement

In March 2016, the FASB issued ASU No. 2016-02, Leases, as a new topic, Accounting Standards Codification 842. The objective of ASU No. 2016-02 is to increase transparency and comparability among organizations by reorganizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. ASU No. 2016-02 is effective for annual reporting periods beginning after December 15, 2021 and shall be applied using either a full retrospective or modified retrospective approach. Early adoption is permitted. The new guidance is effective for the Organization for the year ended September 30, 2023. The Organization is currently evaluating the impact on the results of operations, financial condition and cash flows and has not determined the impact on its financial statements at this time.

Note 2: Fair Value Measurements

Fair value measurement accounting literature establishes a fair value hierarchy based on the priority of the inputs to the valuation methodologies used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

360 Communities
Notes to the Financial Statements
For the Years Ended September 30, 2022 and 2021

Note 2: Fair Value Measurements (Continued)

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2022.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held are deemed to be actively traded.

Fixed Income and Bonds: Valued at the daily closing price of the underlying stocks and bonds. The stocks and bond funds held by the Organization are deemed to be actively traded.

Money Market Funds: Valued at \$1 per share.

Certificates of Deposit: Valued at \$1 per share.

The Organization's investments reported at fair value in the accompanying statement of financial position consist of the following at September 30, 2022 and 2021:

	Level 1	Level 2	Level 3	Total
September 30, 2022				
Investment				
Mutual funds - equities	\$ 379,539	\$ -	\$ -	\$ 379,539
Mutual funds - fixed income	141,772	-	-	141,772
Money market cash	167,524	-	-	167,524
	<u>688,835</u>	-	-	<u>688,835</u>
Endowment Investments				
Certificate of deposit	32,427	-	-	32,427
	<u>32,427</u>	-	-	<u>32,427</u>
Total	<u>\$ 721,262</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 721,262</u>
September 30, 2021				
Investment				
Mutual funds - equities	\$ 661,905	\$ -	\$ -	\$ 661,905
Mutual funds - fixed income	93,763	-	-	93,763
Money market cash	23,838	-	-	23,838
	<u>779,506</u>	-	-	<u>779,506</u>
Endowment Investments				
Certificate of deposit	32,308	-	-	32,308
	<u>32,308</u>	-	-	<u>32,308</u>
Total	<u>\$ 811,814</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 811,814</u>

360 Communities
Notes to the Financial Statements
For the Years Ended September 30, 2022 and 2021

Note 3: Pledges Receivable

The balances of all pledges receivable at September 30, 2022 and 2021 were:

	2022	2021
Pledges Receivables	\$ 14,625	\$ 114,498

Future receipts of pledges receivable at September 30, 2022 and 2021 were:

	2022	2021
Due in One Year	\$ 14,625	\$ 106,207
Due in Two to Five Years	-	8,291
Pledges Receivable, Net	\$ 14,625	\$ 114,498

Note 4: Grants and Contracts Receivable

The balances of all grant and contracts receivable at September 30, 2022 and 2021 were:

	2022	2021
Department of Corrections	\$ 153,266	\$ 375,104
State of MN DHS	96,577	83,946
Dakota County	34,740	24,654
Other	55,084	77,889
Total	\$ 339,667	\$ 561,593

360 Communities
Notes to the Financial Statements
For the Years Ended September 30, 2022 and 2021

Note 5: Endowment Funds

The Organization's endowment consists of a fund established for the purpose of providing funds for the Family Violence Prevention Endowment Fund. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization's Board of Directors has interpreted the Minnesota Uniform Prudent Management of Institutional Funds Act (the UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At September 30, 2022 and 2021, there were no such donor stipulations. As a result of this interpretation, the Organization retains in perpetuity (a) original value of initial and subsequent gift amounts (including pledges receivable net of discount and allowance for doubtful accounts, including pledges receivable at fair value) donated to the Endowment and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. The following factors are considered in making a determination to appropriate or accumulated donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

The Organization has adopted investment and spending policies for endowment assets that provide for the preservation of capital and to provide a predictable stream of funding to the program supported by its endowment. The Organization utilizes cash accounts to achieve its long-term return objectives with prudent risk constraints.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted the UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no endowment funds underwater as of September 30, 2022 and 2021.

As of September 30, 2022 and 2021, the Organization had the following endowment net asset composition by type of fund:

	<u>2022</u>	<u>2021</u>
Pledges Receivable	\$ 9,281	17,571
Less: Present Value Discount	(1,386)	(2,156)
Total Pledges Receivable, Net	<u>7,895</u>	<u>15,415</u>
Cash	260,640	252,470
Certificates of Deposit	<u>32,427</u>	<u>32,308</u>
Total Endowment	<u>\$ 300,962</u>	<u>\$ 300,193</u>

360 Communities
Notes to the Financial Statements
For the Years Ended September 30, 2022 and 2021

Note 5: Endowment Funds (Continued)

	2022	2021
Donor-restricted Endowment Funds original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	<u>\$ 300,962</u>	<u>\$ 300,193</u>

Changes in endowment net assets for the years ending September 30, 2022 and 2021, are as follows:

	Without Donor Restrictions	With Donor Restriction	Total
September 30, 2022			
Endowment Net Assets, Beginning of Year	\$ -	\$ 300,193	\$ 300,193
Investment Return, Net	-	119	119
Contributions	-	769	769
Appropriations For Expenditure	-	(119)	(119)
Endowment Net Assets, End of Year	\$ -	\$ 300,962	\$ 300,962
September 30, 2021			
Endowment Net Assets, Beginning of Year	\$ -	\$ 299,063	\$ 299,063
Investment Return, Net	-	129	129
Contributions	-	1,130	1,130
Appropriations For Expenditure	-	(129)	(129)
Endowment Net Assets, End of Year	\$ -	\$ 300,193	\$ 300,193

Note 6: Lease Obligations and Contributed Facility Usage

A. Operating Leases

The Organization leases space for one of its domestic abuse shelters for \$1 per year from a local real estate development company. The Organization recorded \$81,673 of contribution revenue and occupancy expense for the years ended September 30, 2022 and 2021. The Organization has recorded contribution revenue and occupancy expense for this space based on the estimated fair value of the donation. The lease is for 25 years (through 2026) but is cancelable with notice.

The Organization leases its office facility and certain equipment under operating and capital leases. The Organization is obligated to pay costs of insurance, taxes, repairs, and maintenance pursuant to the terms of the leases.

The Organization leases additional office space under an agreement which requires monthly rent of \$6,492 through January 2020. On August 24, 2018, the Third Lease Amendment and Relocation Agreement was signed and became effective during 2019. In addition to monthly base rent, the Organization is required to pay a pro rata share of the facility's maintenance and real estate taxes through August 2028.

Total rental expense under operating leases was \$139,407 and \$139,211 for the years ended September 30, 2022 and 2021.

360 Communities
Notes to the Financial Statements
For the Years Ended September 30, 2022 and 2021

Note 6: Lease Obligations and Contributed Facility Usage (Continued)

B. Capital Leases

In October 2018, the Organization entered into a capital lease for a copier requiring annual payments of \$6,106 through October 2023. The Organization had an initial capital lease obligation for this lease of \$26,000. In September 2015, the Organization entered into a capital lease for a copier requiring annual payments of \$7,078 through September 2020. The Organization entered into a new lease agreement in September 2020 for a copier requiring payments of \$7,078 through August 2024. The initial capital lease obligation is \$30,500 with an implicit interest rate of 6%. Interest expense related to the capital leases was \$1,592 and \$2,291 for the years ended September 30, 2022 and 2021, respectively. The total of the Organization's capital lease obligations was \$19,408 and \$31,300 at September 30, 2022 and 2021, respectively.

Property and equipment included the following amounts for the capital leases at September 30:

	2022	2021
Equipment and Furniture	\$ 163,974	\$ 163,974
Less: Accumulated Amortization	(144,565)	(132,674)
Total	\$ 19,409	\$ 31,300

At September 30, 2022, the Organization had the following minimum commitments by fiscal year for payments of rentals under leases which at inception had a non-cancellable term of more than one year:

Years Ending December 31,	Capital	Operating
2023	\$ 13,184	\$ 84,089
2024	7,267	86,611
2025	-	89,209
2026	-	91,886
2027	-	94,642
Thereafter	-	97,482
Total	20,451	543,919
Less amount representing interest	(1,043)	-
Future Minimum Lease Payments	\$ 19,408	\$ 543,919

Note 7: Notes Payable

The Organization participated in a multi-employer defined benefit pension plan in which 16 other agencies also participated. Of the approximate 1,051 participating employees, 5.71% were 360 Communities' employees. Effective December 31, 2014, the plan froze benefit accruals and, as a result, employees did not earn additional defined benefits for future services. During 2019, 360 Communities and the other agencies came together to terminate the pension plan and pay out employees in full. Greater Twin Cities United Way assisted in obtaining a note payable for the Organization and all agencies in order to fund the termination of the pension plan. During 2021, this note was paid off early.

The Organization also had a note payable due in monthly installments of \$2,360 with a 4.36% interest rate due to mature September 2024. It was secured by property and cash collateral. This note was paid off in 2021.

360 Communities
Notes to the Financial Statements
For the Years Ended September 30, 2022 and 2021

Note 8: Net Assets with Donor Restrictions

The Organization had net assets restricted by donors for the following purposes as of September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Subject to Expenditure for Specified Purpose		
Food Shelf	\$ 147,607	\$ 262,993
Partners for Success	21,831	2,062
Management DEI	2,367	-
Community Resources	-	239,099
Violence Prevention	-	4,476
Endowment, perpetual in nature, earnings from which are subject to endowment spending policy appropriation	<u>300,962</u>	<u>300,193</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 472,767</u></u>	<u><u>\$ 808,823</u></u>

Note 9: In-kind Donations

In-kind contributions consist of the following as of September 30:

	<u>2022</u>	<u>2021</u>	<u>Usage in Programs/Activities</u>	<u>Donor Restriction</u>	<u>Fair Value Techniques</u>
Food	\$ 1,196,940	\$ 1,318,713	Stock food shelves	None	Comparison to other organizations with comparable activities
Rent	209,118	209,118	Community outreach	None	Comparison to comparable spaces for lease
Raffle prizes	<u>56,051</u>	<u>-</u>	Fundraising	None	Comparison to retail prices from vendors
Total	<u><u>\$ 1,462,109</u></u>	<u><u>\$ 1,527,831</u></u>			

360 Communities
Notes to the Financial Statements
For the Years Ended September 30, 2022 and 2021

Note 10: Liquidity and Availability of Financial Assets

The Organization has the following assets available to meet financial needs for one year:

	<u>2022</u>	<u>2021</u>
Financial Assets		
Cash and cash equivalents	\$ 1,457,341	\$ 1,066,092
Restricted cash	10,808	10,808
Investments	688,835	779,506
Government grants and contracts receivable	339,667	561,593
Pledges receivable	14,625	114,498
Endowment fund	300,962	300,193
Total Financial Assets Available for Use at Year-End	<u>2,812,238</u>	<u>2,832,690</u>
Less those Unavailable for General Expenditures Within One Year, Due to		
Net assets with donor restrictions	(472,767)	(808,823)
Restricted cash	(10,808)	(10,808)
Total Financial Assets Unavailable for use Within One Year	<u>(483,575)</u>	<u>(819,631)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 2,328,663</u>	<u>\$ 2,013,059</u>

The Organization strives to maintain liquid financial assets sufficient to cover 70-90 days of general expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposit and investment accounts.

Note 11: COVID-19

In December 2019, a novel strain of coronavirus (COVID-19) surfaced. The spread of COVID-19 around the world during 2020 and 2021 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the Organization is unable to determine the impact to its future operations.

SINGLE AUDIT AND OTHER REQUIRED REPORTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
360 Communities
Burnsville, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of 360 Communities (the Organization), a Minnesota not-for-profit corporation, which comprise the statements of financial position as of September 30, 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated February 7, 2023.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Abdo
Minneapolis, Minnesota
February 7, 2023





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

Board of Directors
360 Communities
Burnsville, Minnesota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited 360 Communities' (the Organization), a Minnesota not-for-profit corporation, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2022. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.



Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Abdo
Minneapolis, Minnesota
February 7, 2023



360 Communities
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2022

Federal Grantor/Pass-Through Grantor Cluster/Program Title	Assistance Listing Number	Pass-Through Identification Number	Federal Expenditures
U.S. Department of Justice:			
Passed-Through the Minnesota Department of Corrections Crime Victim Assistance Grant Ending Sept 30, 2023 - VOCA	16.575	A-CVS-2022-CACI-082	\$ 881,442
U.S. Department of Health and Human Services:			
Passed-Through the Minnesota Department of Human Services: Child Care Development Fund Cluster: Child Care and Development Block Grant Grant ending June 30, 2023	93.575	GRK 196771	328,029
U.S. Department of Housing and Urban Development:			
Passed-Through the Dakota County Housing & Redevelopment Authority: Community Development Block Grants Entitlement Grants Cluster: Community Development Block Grants/Entitlement Grants City of Burnsville EMS Ending 12/31/21	14.218	B-12UC-27-003	4,444
City of Burnsville CDBG Ending 12/31/21	14.218	B-12UC-27-003	2,840
<i>Total U.S. Department of Housing and Urban Development:</i>			<u>7,284</u>
U.S. Department of Homeland Security:			
Emergency Food and Shelter National Board Program Emergency Food Shelter Program Phase 37	97.024	None noted	5,750
Emergency Food Shelter Program CARES	97.024	None noted	4,726
Emergency Food Shelter Program Phase 38	97.024	None noted	2,963
Emergency Food Shelter Program Phase 39	97.024	None noted	8,095
Emergency Food Shelter Program Phase APRA-R	97.024	None noted	21,546
Total Emergency Food and Shelter National Board Program			<u>43,080</u>
Passed-Through the Minnesota Department of Human Services: Foster Care Title IV-E PFS-Farmington 7/21-6/22	93.658	DCC2021/2022-22186	35,614
PFS-Lakeville 7/21-6/22	93.658	DCC2021/2022-22186	56,856
PFS-South St. Paul 7/21-6/22	93.658	DCC2021/2022-22186	30,099
PFS-West St. Paul 7/21-6/22	93.658	DCC2021/2022-22186	40,294
PFS-Farmington 7/22-6/23	93.658	DCC2022/2023-23186	3,274
PFS-Lakeville 7/22-6/23	93.658	DCC2022/2023-23186	4,356
PFS-South St. Paul 7/22-6/23	93.658	DCC2022/2023-23186	2,040
PFS-West St. Paul 7/22-6/23	93.658	DCC2022/2023-23186	3,689
Total Foster Care Title IV-E			<u>176,222</u>
<i>Total U.S. Department of Homeland Security:</i>			<u>219,302</u>
U.S. Department of Treasury			
Passed-Through the Minnesota Department of Human Services: Coronavirus State and Local Fiscal Recovery Funds Grant Ending June 30, 2023	21.027	P.L. 117-2	20,319
Total Federal Expenditures			<u>\$ 1,456,376</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards.

360 Communities
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2022

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Organization under programs of the federal government for the year ended September 30, 2022. The information in this schedule is presented in accordance with the requirement of the Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

Note 2: Summary of Significant Accounting Policies for Expenditures

Expenditures reported on this schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in 2 CFR 200.516(a), *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Pass-through Entity Identifying Numbers

Pass-through entity identifying numbers are presented where available.

Note 4: Subrecipients

No federal expenditures presented in this schedule were provided to subrecipients.

Note 5: Indirect Cost Rate

During the year ended September 31, 2022, the Organization elected to use the 10% de minimis indirect cost rate.

360 Communities
 Schedule of Findings and Questioned Costs
 For the Year Ended September 30, 2022

Section I - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance?	No

**Assistance
Listing
Number**

Identification of Major Programs:

Crime Victim Assistance	16.575
Dollar threshold used to distinguish between Type A and Type B Programs:	\$ 750,000
Auditee qualified as low-risk auditee pursuant to the Uniform Guidance	Yes

Section II - Findings - Financial Statement Audit

There are no significant deficiencies, material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

Section III - Findings and Questioned Costs - Major Federal Award Programs Audit

There are no significant deficiencies, material weaknesses, or instances of material noncompliance including questioned costs that are required to be reported in accordance with the Uniform Guidance.

Other Issues

The Summary Schedule of Prior Audit Findings is not required because there were no prior year audit findings required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance.

A Corrective Action Plan is not required because there were no current year findings required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance.