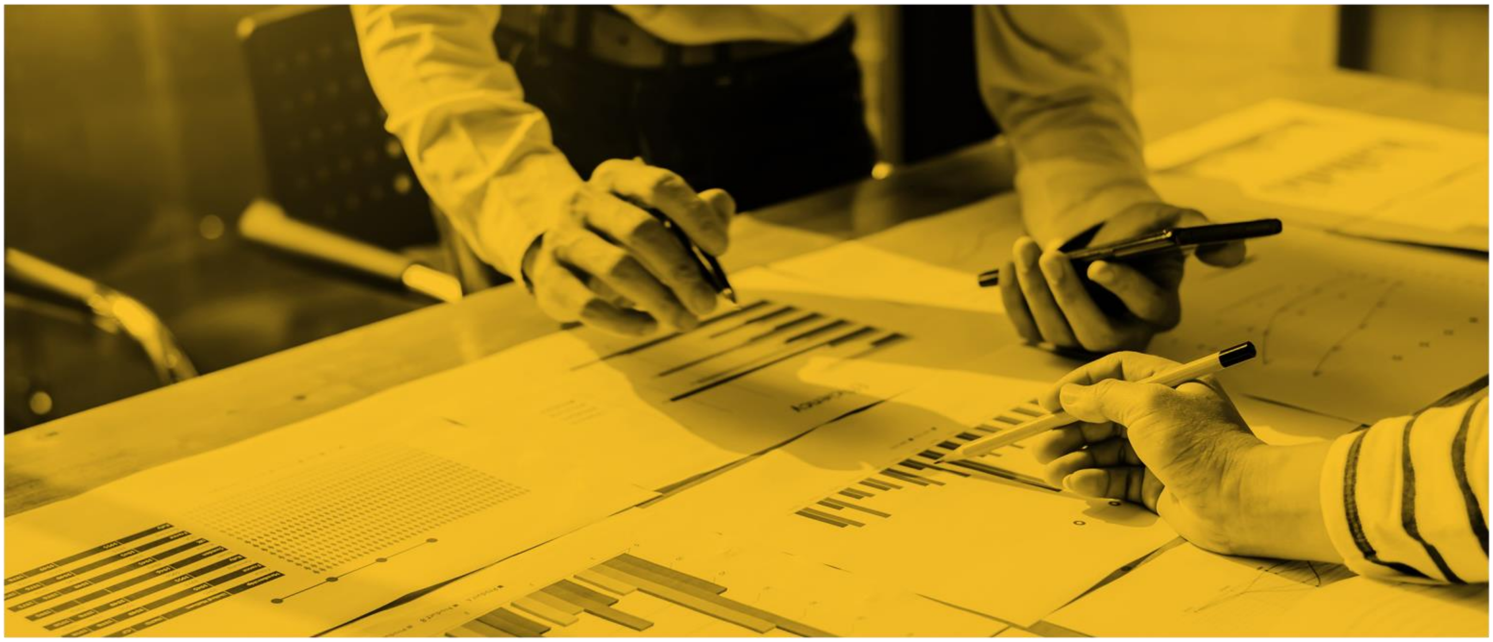

Financial Statements

360 Communities

Burnsville, Minnesota

For the years ended September 30, 2023 and 2022

Abdo
Lighting the path forward

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360 Communities
Annual Financial Report
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For the Years Ended September 30, 2023 and 2022

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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, 2023 and 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.

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, 2023 and 2022, 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 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. 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 January 24, 2024 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. 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

Abdo
Minneapolis, Minnesota
January 24, 2024

FINANCIAL STATEMENTS

360 Communities

Statements of Financial Position

September 30, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	$ 721,299	$ 1,468,149
Government grants and contracts receivable	951,532	339,667
Pledges receivable	875	14,625
Prepaid expenses	50,578	41,997
Total Current Assets	1,724,284	1,864,438
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	694,667	693,054
Total Property and Equipment	1,925,694	1,924,081
Less: Accumulated Depreciation and Amortization	(1,544,800)	(1,508,258)
Total Property and Equipment, Net	380,894	415,823
Noncurrent Assets		
Unemployment Services Trust fund	65,109	69,175
Investments	855,834	688,835
Endowment, net of discount	300,962	300,962
Operating right-of-use assets, net	413,290	-
Finance right-of-use assets, net	26,462	-
Total Other Noncurrent Assets	1,661,657	1,058,972
Total Assets	$ 3,766,835	$ 3,339,233

360 Communities
Statements of Financial Position (Continued)
September 30, 2023 and 2022

	2023	2022
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 126,236	$ 65,954
Accrued payroll and related expenses	379,884	361,143
Deferred revenues	219,872	302,658
Operating lease liability, current portion	75,135	-
Finance/capital lease liability, current portion	5,757	12,336
Total Current Liabilities	806,884	742,091
Noncurrent Liabilities		
Operating lease liability	344,601	-
Finance/capital lease liability	21,277	7,072
Total Noncurrent Liabilities	365,878	7,072
Total Liabilities	1,172,762	749,163
Net Assets		
Without donor restrictions	2,081,253	2,117,303
With donor restrictions	512,820	472,767
Total Net Assets	2,594,073	2,590,070
Total Liabilities and Net Assets	$ 3,766,835	$ 3,339,233

360 Communities
Statements of Activities
For the Year Ended September 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support			
United Way	$ 7,046	$ -	$ 7,046
Government grants	4,541,545	-	4,541,545
Contributions	1,804,157	334,307	2,138,464
In-kind donations	1,737,260	-	1,737,260
Special events, less costs of direct benefit to donors of $120,184	283,070	-	283,070
Total Support	8,373,078	334,307	8,707,385
Revenue			
Investment income	71,324	-	71,324
Miscellaneous	762	-	762
Total Revenue	72,086	-	72,086
Net Assets Released from Restriction			
Satisfaction of program restrictions	294,254	(294,254)	-
Total Support and Revenue	8,739,418	40,053	8,779,471
Expenses			
Program services			
Violence Prevention Intervention	1,904,588	-	1,904,588
Community Resources	4,317,694	-	4,317,694
School Success	1,352,071	-	1,352,071
Total Program Expenses	7,574,353	-	7,574,353
Supporting services			
Management and general	811,777	-	811,777
Fundraising	389,338	-	389,338
Total Supporting Services	1,201,115	-	1,201,115
Total Expenses	8,775,468	-	8,775,468
Change In Net Assets	(36,050)	40,053	4,003
Beginning Net Assets	2,117,303	472,767	2,590,070
Ending Net Assets	$ 2,081,253	$ 512,820	$ 2,594,073

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

360 Communities
Statements of Activities (Continued)
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 Services	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

360 Communities
Statements of Functional Expenses
For the Year Ended September 30, 2023

	Program Services				Support Services			
	Violence Prevention Intervention	Community Resources	School Success	Total Program Services	Management and General	Fundraising	Total Support Services	Total
Salaries and wages	$ 1,259,708	$ 908,295	$ 1,052,381	$ 3,220,384	$ 471,051	$ 279,494	$ 750,545	$ 3,970,929
Employee benefits	125,378	79,942	95,587	300,907	38,196	16,382	54,578	355,485
Payroll taxes	111,401	71,029	84,911	267,341	26,422	14,556	40,978	308,319
Total Salaries and Related Expenses	1,496,487	1,059,266	1,232,879	3,788,632	535,669	310,432	846,101	4,634,733
Conferences and events	9,440	7,084	3,961	20,485	30,060	160,325	190,385	210,870
Equipment, furnishings and repairs	36,069	26,997	16,076	79,142	3,139	677	3,816	82,958
Groceries and special assistance	23,503	2,812,657	12,114	2,848,274	32	-	32	2,848,306
Insurance	6,170	4,871	4,773	15,814	2,111	-	2,111	17,925
Interest	-	-	-	-	1,563	-	1,563	1,563
Miscellaneous	-	777	-	777	-	38	38	815
Occupancy	198,498	242,433	3,513	444,444	55,198	-	55,198	499,642
Postage	608	1,055	30	1,693	3,854	4,074	7,928	9,621
Printing	2,280	4,471	1,216	7,967	10,715	13,713	24,428	32,395
Professional services	61,467	86,078	43,597	191,142	128,784	17,822	146,606	337,748
Program materials	5,622	3,487	3,135	12,244	4,368	623	4,991	17,235
Supplies	5,745	8,260	2,712	16,717	3,325	146	3,471	20,188
Telephone	21,615	19,210	9,029	49,854	6,828	245	7,073	56,927
Transportation	10,375	6,953	19,036	36,364	3,306	1,427	4,733	41,097
Total Expenses Before Depreciation and Amortization	1,877,879	4,283,599	1,352,071	7,513,549	788,952	509,522	1,298,474	8,812,023
Depreciation and amortization	26,709	34,095	-	60,804	22,825	-	22,825	83,629
Total Expenses	1,904,588	4,317,694	1,352,071	7,574,353	811,777	509,522	1,321,299	8,895,652
Less expenses included with revenue on the statement of activities	-	-	-	-	-	(120,184)	(120,184)	(120,184)
Total Expenses	$ 1,904,588	$ 4,317,694	$ 1,352,071	$ 7,574,353	$ 811,777	$ 389,338	$ 1,201,115	$ 8,775,468

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

360 Communities

Statements of Functional Expenses (Continued)

For the Year Ended September 30, 2022

	Program Services				Support Services			
	Violence Prevention Intervention	Community Resources	School Success	Total Program Services	Management and General	Fundraising	Total Support Services	Total
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	89,582	444,572
Payroll taxes	95,602	21,637	39,981	157,220	4,586	3,099	7,685	164,905
Total Salaries and Related Expenses	1,628,045	753,336	1,079,477	3,460,858	458,636	301,496	760,132	4,220,990
Conferences and events	9,405	2,691	7,381	19,477	27,738	144,271	172,009	191,486
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 and Amortization	2,069,524	2,739,410	1,197,607	6,006,541	741,201	504,203	1,245,404	7,251,945
Depreciation and amortization	26,537	32,787	-	59,324	26,558	-	26,558	85,882
Total Expenses	2,096,061	2,772,197	1,197,607	6,065,865	767,759	504,203	1,271,962	7,337,827
Less expenses included with revenue on the statement of activities	-	-	-	-	-	(105,667)	(105,667)	(105,667)
Total Expenses	$ 2,096,061	$ 2,772,197	$ 1,197,607	$ 6,065,865	$ 767,759	$ 398,536	$ 1,166,295	$ 7,232,160

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

360 Communities

Statements of Cash Flows

For the Years Ended September 30, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Change in net assets	$ 4,003	$ (360,138)
Adjustment to reconcile change in net assets		
to net cash provided (used) by operating activities:		
Depreciation	73,441	85,882
Amortization	10,188	-
Operating lease cash paid in excess of operating lease expense	26,903	-
Unrealized (gain) loss on investments	(41,583)	134,223
Changes in assets:		
Government grants and contracts receivable	(611,865)	221,926
Pledges receivable	13,750	99,873
Prepaid expenses	(8,581)	2,193
Unemployment Services Trust fund	4,066	65,429
Changes in liabilities:		
Accounts payable	60,282	23,318
Accrued expenses	18,741	17,521
Deferred revenues	(82,786)	187,464
Net Cash Provided (Used) by Operating Activities	(533,441)	477,691
Cash Flows From Investing Activities		
Purchase of property and equipment	(84,359)	(29,543)
Purchase of investments	(125,417)	(43,552)
Contribution to endowment investment	-	(769)
Net Cash Used by Investing Activities	(209,776)	(73,864)
Cash Flows From Financing Activities		
Payments on principal portion on finance lease liability	(3,633)	(12,578)
Change In Cash and Cash Equivalents	(746,850)	391,249
Beginning Cash and Cash Equivalents	1,468,149	1,076,900
Ending Cash and Cash Equivalents	$ 721,299	$ 1,468,149
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the year for:		
Interest	$ (25,340)	$ 2,433
Supplemental Disclosure of Non-Cash Transactions		
Non-cash proceeds received for right of use assets - finance	$ 30,532	$ -
Non-cash proceeds received for right of use assets - operating	$ 490,095	$ -

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

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."

Founded in 1972, the Organization provides hope and support to residents of Dakota, Scott, and Carver Counties 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, Scott, and Carver Counties. 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 $512,820 and $472,767 at September 30, 2023 and 2022.

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.

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. 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 4.85 percent, and matures on July 15, 2024. The value of the certificate of deposit at September 30, 2023 and 2022 was $32,509 and $32,427, respectively.

G. Government Grants and Contracts Receivable

Government grants and contracts 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, 2023 and 2022.

H. 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.

Note 1: Summary of Significant Accounting Policies (Continued)

I. 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 $3,000. 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, 2023 and 2022, depreciation expense was $83,628 and $85,882.

J. Leases

The Organization determines if an arrangement is a lease at inception. If an arrangement contains a lease, the Organization performs a lease classification test to determine if the lease is an operating lease or a finance lease. Right-of-use (ROU) assets represent the right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Lease liabilities are recognized on the commencement date of the lease based on the present value of the future lease payments over the lease term and are included in long-term liabilities and current liabilities on the statement of financial position. ROU assets are valued at the initial measurement of the lease liability, plus any indirect costs or rent prepayments, and reduced by any lease incentives and any deferred lease payments. ROU assets are recorded on the face of the statement of financial position and are amortized over the lease term. To determine the present value of lease payments on lease commencement, the Organization uses the implicit rate when readily determinable. Lease terms include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Operating lease expense is recognized on a straight-line basis over the life of the lease and is included within operating expenses on the statement of activities. The Organization has made the following elections related to leases:

- The Organization has elected to use a risk-free rate as the discount rate on all classes of underlying assets when an implicit rate is not readily available.
- The Organization has elected the practical expedient to account for the lease and non-lease components as a single lease component for classes of underlying assets.
- The Organization has elected to apply the short-term lease exception to all leases with a term of one year or less. Short-term leases will not be capitalized.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

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 January 24, 2024, 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 on October 1, 2022. ASU No. 2016-02 was applied using a modified retrospective approach for the year ended September 30, 2023.

Note 1: Summary of Significant Accounting Policies (Continued)

R. Upcoming Accounting Pronouncement

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. This ASU amends the guidance on the impairment of financial instruments and adds an impairment model, known as the current expected credit losses model, that is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes, as an allowance, its estimate of expected credit losses over the contractual life of a financial asset. In November 2019, the FASB issued ASU 2019-10, Financial Instruments – Credit Losses (Topic 326), which defers the effective date to annual reporting periods beginning after December 15, 2022, with early adoption permitted. The provisions of this ASU are to be applied using the modified retrospective approach. The Organization is currently evaluating the impact this standard will have on its financial statements.

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.

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, 2023.

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.

Note 2: Fair Value Measurements (Continued)

The Organization's investments reported at fair value in the accompanying statement of financial position consist of the following at September 30, 2023 and 2022:

	Level 1	Level 2	Level 3	Total
September 30, 2023				
Investments				
Mutual funds - equities	$ 387,185	$ -	$ -	$ 387,185
Mutual funds - fixed income	367,528	-	-	367,528
Money market cash	101,121	-	-	101,121
	855,834	-	-	855,834
Endowment Investments				
Certificate of deposit	32,509	-	-	32,509
Total	$ 888,343	$ -	$ -	$ 888,343
September 30, 2022				
Investments				
Mutual funds - equities	$ 379,539	$ -	$ -	$ 379,539
Mutual funds - fixed income	141,772	-	-	141,772
Money market cash	167,524	-	-	167,524
	688,835	-	-	688,835
Endowment Investments				
Certificate of deposit	32,427	-	-	32,427
Total	$ 721,262	$ -	$ -	$ 721,262

Note 3: Pledges Receivable

The balances of all pledges receivable at September 30, 2023 and 2022 were $875 and $14,625, respectively. At September 30, 2023 and 2022, all pledges receivable were expected to be received within one year.

Note 4: Grants and Contracts Receivable

The balances of all grant and contracts receivable at September 30, 2023 and 2022 were:

	2023	2022
Department of Corrections	$ 309,894	$ 153,266
State of MN DHS	158,100	96,577
Dakota County	355,289	34,740
Other	128,249	55,084
Total	$ 951,532	$ 339,667

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, 2023 and 2022, 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.

Note 5: Endowment Funds (Continued)

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, 2023 and 2022.

As of September 30, 2023 and 2022, the Organization had the following endowment net asset composition by type of fund:

	2023	2022
Pledges Receivable	$ -	$ 9,281
Less: Present Value Discount	-	(1,386)
Total Pledges Receivable, Net	-	7,895
Cash	268,453	260,640
Certificates of Deposit	32,509	32,427
Total Endowment	$ 300,962	$ 300,962

	2023	2022
Donor-restricted Endowment Funds original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ 300,962	$ 300,962

Changes in endowment net assets for the years ending September 30, 2023 and 2022, are as follows:

September 30, 2023	Without Donor Restrictions	With Donor Restriction	Total
Endowment Net Assets, Beginning of Year	$ -	$ 300,962	$ 300,962
Investment Return, Net	-	82	82
Appropriations For Expenditure	-	(82)	(82)
Endowment Net Assets, End of Year	$ -	$ 300,962	$ 300,962

September 30, 2022	Without Donor Restrictions	With Donor Restriction	Total
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

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, 2023 and 2022. 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 finance 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 required 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. The amended agreement expires in August 2028. 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 $93,798 and $139,407 for the years ended September 30, 2023 and 2022.

B. Finance Leases

The Organization entered into a lease agreement in November 2022 for a copier requiring monthly payments of $599 through December 2027. The initial finance lease obligation was $30,532 with an implicit interest rate of 6%. Interest expense related to the finance leases was $1,293 and $1,592 for the years ended September 30, 2023 and 2022, respectively. The total of the Organization's finance lease obligations was $27,034 and $19,408 at September 30, 2023 and 2022, respectively.

As disclosed in Note 1, the Organization adopted FASB ASC 842, effective October 1, 2022, using a modified retrospective approach. As a result, the Organization was required to recognize a ROU asset and corresponding lease liability on the face of the statement of financial position for the year ended September, 30, 2023. As the standard was implemented using a modified retrospective approach, the balance sheet as of September 30, 2022 was not impacted.

The ROU lease asset and corresponding lease liability were calculated utilizing a risk-free discount rate of 6%, according to the Organization's elected policy. The Organization's lease agreement does not contain any material residual value guarantees or material restrictive covenants.

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

Additional information about the Organization's lease for the year ended September 30, 2023, is as follows:

Lease Expense	
Finance lease expense	
Amortization of ROU assets	$ 4,670
Interest on lease liabilities	1,293
Operating lease expense	90,744
Total	$ 96,707
Other Information	
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from finance leases (i.e. Interest)	$ 1,158
Financing cash flows from finance leases (i.e. principal portion)	3,633
Operating cash flows from operating leases	84,298
ROU assets obtained in exchange for new finance lease liabilities	30,532
ROU assets obtained in exchange for new operating lease liabilities	490,095
Weighted-average remaining lease term in years for finance leases	4.25
Weighted-average remaining lease term in years for operating leases	4.92
Weighted-average discount rate for finance leases	6.00%
Weighted-average discount rate for operating leases	3.09%

Maturities of lease liabilities are as follows:

Year ended September 30	**Finance**	**Operating**
2024	$ 7,186	$ 86,827
2025	7,186	89,432
2026	7,186	92,114
2027	7,186	94,878
2028	1,798	89,356
Total undiscounted cash flows	30,542	452,607
Less: present value discount	(3,508)	(32,871)
Total lease liabilities	$ 27,034	$ 419,736

Note 7: Net Assets with Donor Restrictions

The Organization had net assets restricted by donors for the following purposes as of September 30, 2023 and 2022:

	2023	2022
Subject to Expenditure for Specified Purpose		
Food Shelf	$ 105,998	$ 147,607
Partners for Success	3,088	21,831
Management DEI	-	2,367
Community Resources	102,286	-
Violence Prevention	486	-
Endowment, perpetual in nature, earnings from which are subject to endowment spending policy appropriation	300,962	300,962
Total Net Assets with Donor Restrictions	$ 512,820	$ 472,767

Note 8: In-kind Donations

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

	2023	2022	Usage in Programs/Activities	Donor Restriction	Fair Value Techniques
Food	$ 1,463,780	$ 1,196,940	Stock food shelves	None	Estimated value based on Feeding America report
Rent	209,118	209,118	Community outreach	None	Comparison to comparable spaces for lease
Raffle prizes	64,362	56,051	Fundraising	None	Comparison to retail prices from vendors
Total	$ 1,737,260	$ 1,462,109			

Note 9: Liquidity and Availability of Financial Assets

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

	2023	2022
Financial Assets		
Cash and cash equivalents	$ 721,299	$ 1,468,149
Investments	855,834	688,835
Government grants and contracts receivable	951,532	339,667
Pledges receivable	875	14,625
Endowment fund	300,962	300,962
Total Financial Assets Available for Use at Year-End	2,830,502	2,812,238
Less those Unavailable for General Expenditures Within One Year, Due to		
Net assets with donor restrictions	(512,820)	(472,767)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 2,317,682	$ 2,339,471

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.

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, 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, and have issued our report thereon dated January 24, 2024.

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) as a basis for designing 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.

Report on 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 financial statements. 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

Abdo
Minneapolis, Minnesota
January 24, 2024

**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, 2023. 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, 2023.

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

Abdo
Minneapolis, Minnesota
January 24, 2024

360 Communities
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023

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	$ 684,821
U.S. Department of Health and Human Services:			
Child Care Development Fund Cluster:			
Passed-Through the Minnesota Department of Human Services:			
Child Care and Development Block Grant			
Grant ending June 30, 2023	93.575	GRK 196771	457,181
U.S. Department of Homeland Security:			
Emergency Food and Shelter National Board Program			
Emergency Food Shelter Program Phase 38	97.024	None noted	(704)
Emergency Food Shelter Program Phase 39	97.024	None noted	4,399
Emergency Food Shelter Program Phase APRA-R	97.024	None noted	20,682
Total Emergency Food and Shelter National Board Program			24,377
Passed-Through the Minnesota Department of Human Services:			
Foster Care Title IV-E			
PFS-Farmington 7/22-6/23	93.658	DCC2022/2023-23186	35,068
PFS-Lakeville 7/22-6/23	93.658	DCC2022/2023-23186	54,969
PFS-South St. Paul 7/22-6/23	93.658	DCC2022/2023-23186	29,735
PFS-West St. Paul 7/22-6/23	93.658	DCC2022/2023-23186	40,245
Total Foster Care Title IV-E			160,017
Total U.S. Department of Homeland Security:			184,394
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	3,490
Total Federal Expenditures			$ 1,329,886

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

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, 2023. 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, 2023, 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, 2023

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

Identification of Major Programs:	Assistance Listing Number
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.