

RELATIONSHIP SAFETY ALLIANCE
fka: MID-MINNESOTA WOMEN'S CENTER, INC.
Brainerd, Minnesota

FINANCIAL STATEMENTS

With

INDEPENDENT AUDITOR'S REPORT

For the Year Ended September 30, 2023 and 2022

HUGH HEINECKE, CPA
Certified Public Accountants

RELATIONSHIP SAFETY ALLIANCE
fka: MID-MINNESOTA WOMEN'S CENTER, INC.
Brainerd, Minnesota

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Hugh Heinecke, CPA
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Relationship Safety Alliance
fka: Mid-Minnesota Women's Center, Inc.
Brainerd, Minnesota

Opinion

We have audited the accompanying financial statements of Relationship Safety Alliance fka: Mid-Minnesota Women's Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the year 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 Relationship Safety Alliance fka: Mid-Minnesota Women's Center, Inc. (a nonprofit organization) 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. 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 Relationship Safety Alliance fka: Mid-Minnesota Women's Center, Inc. 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 Relationship Safety Alliance fka: Mid-Minnesota Women's Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Relationship Safety Alliance fka: Mid-Minnesota Women's Center, Inc.'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 Relationship Safety Alliance fka: Mid-Minnesota Women's Center, Inc.'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.

Hugh Heinicke, CPA

April 18, 2024

RELATIONSHIP SAFETY ALLIANCE
fka: MINNESOTA WOMEN'S CENTER, INC.
 Brainerd, Minnesota

STATEMENT OF FINANCIAL POSITION
 As of September 30,

	2023	2022
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents - unrestricted	\$ 340,804	\$ 327,952
Short-term investments - unrestricted	675,010	613,416
Grants receivable	44,767	258,563
Prepaid expenses	21,143	15,438
Total Current Assets	1,081,724	1,215,369
Property and Equipment		
Land	60,495	60,495
Buildings	1,278,167	1,274,206
Furniture and fixtures	227,294	227,294
Vehicles	55,897	55,897
	1,621,853	1,617,892
Less accumulated depreciation	(1,096,858)	(1,023,086)
Net Property and Equipment	524,995	594,806
Total Assets	\$ 1,606,719	\$ 1,810,175

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 13,770	\$ 3,571
Accrued payroll	23,814	16,569
Accrued employee benefits	36,153	19,413
Other current liabilities	-	-
Total Current Liabilities	73,737	39,553
Net Assets		
Restricted	-	-
Unrestricted	1,532,982	1,770,622
Total Net Assets	1,532,982	1,770,622
Total Liabilities and Net Assets	\$ 1,606,719	\$ 1,810,175

See accompanying notes to financial statements.

RELATIONSHIP SAFETY ALLIANCE
fka: MID-MINNESOTA WOMEN'S CENTER, INC.
 Brainerd, Minnesota

STATEMENT OF ACTIVITIES
 For the Year Ended September 30,

	Without Donor Restrictions 2023	Without Donor Restrictions 2022
Revenues		
Grant income (MN Dept of Public Safety)	\$ 638,614	\$ 881,452
Grant income (other)	-	-
Court fines	-	16,118
Interest and dividend income	31,225	32,612
Gain/(loss) on investments	38,658	(112,480)
Contributions	264,623	329,859
Reimbursements	3,756	538
Fees	<u>77,485</u>	<u>27,527</u>
Total Revenues	<u>1,054,361</u>	<u>1,175,626</u>
Expenses		
Shelter Services	1,066,153	898,069
Child Safety Center	<u>225,848</u>	<u>192,381</u>
Total Expenses	<u>1,292,001</u>	<u>1,090,450</u>
Change in Net Assets	(237,640)	85,176
Beginning Net Assets	<u>1,770,622</u>	<u>1,685,446</u>
Ending Net Assets	<u>\$ 1,532,982</u>	<u>\$ 1,770,622</u>

See accompanying notes to financial statements.

RELATIONSHIP SAFETY ALLIANCE
fka: MID-MINNESOTA WOMEN'S CENTER, INC.
 Brainerd, Minnesota

STATEMENT OF FUNCTIONAL EXPENSES
 For the Year Ended September 30, 2023

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Personnel	\$ 726,821	\$ 78,577	\$ 22,600	\$ 827,998
Payroll taxes	54,336	8,251	2,373	64,960
Fringe benefits	115,448	5,225	2,604	123,277
Employee and volunteer welfare fund	18,370	-	-	18,370
Contracted services	-	10,700	-	10,700
Travel and meetings	2,367	-	-	2,367
Training	7,467	-	-	7,467
Building and ground supplies	16,224	-	-	16,224
Depreciation	70,083	3,689	-	73,772
Household supplies	10,299	-	-	10,299
Repairs and maintenance	1,514	-	-	1,514
Utilities	24,419	1,285	-	25,704
Child care program	341	-	-	341
Food/personal needs/clothing	10,967	-	-	10,967
Advertising	8,854	-	2,951	11,805
Dues and subscriptions	9,664	-	-	9,664
Printing	8,575	-	451	9,026
Mailing	1,521	-	80	1,601
Office supplies and postage	6,341	352	352	7,045
Telephone	18,416	969	-	19,385
Insurance	23,227	-	-	23,227
Special projects	-	-	10,211	10,211
Miscellaneous	4,558	1,519	-	6,077
Total Expenses	<u>\$1,139,812</u>	<u>\$ 110,567</u>	<u>\$ 41,622</u>	<u>\$ 1,292,001</u>

See accompanying notes to financial statements.

RELATIONSHIP SAFETY ALLIANCE
fka: MID-MINNESOTA WOMEN'S CENTER, INC.
 Brainerd, Minnesota

STATEMENT OF FUNCTIONAL EXPENSES
 For the Year Ended September 30, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Personnel	\$ 559,491	\$ 73,918	\$ 19,900	\$ 653,309
Payroll taxes	44,274	7,761	2,090	54,125
Fringe benefits	111,195	4,885	2,436	118,516
Employee and volunteer welfare fund	22,596	-	-	22,596
Contracted services	100	13,800	-	13,900
Travel and meetings	1,490	-	-	1,490
Training	1,988	-	-	1,988
Building and ground supplies	9,681	-	-	9,681
Depreciation	76,948	4,050	-	80,998
Household supplies	4,111	-	-	4,111
Repairs and maintenance	1,155	-	-	1,155
Utilities	25,107	1,321	-	26,428
Child care program	232	-	-	232
Food/personal needs/clothing	10,513	-	-	10,513
Advertising	3,301	-	1,100	4,401
Dues and subscriptions	11,958	-	-	11,958
Printing	4,834	-	254	5,088
Mailing	3,161	-	166	3,327
Office supplies and postage	7,441	413	413	8,267
Telephone	18,644	981	-	19,625
Insurance	26,809	-	-	26,809
Special projects	-	-	8,848	8,848
Rebranding project	-	3,085	-	3,085
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenses	\$ 945,029	\$ 110,214	\$ 35,207	\$ 1,090,450

See accompanying notes to financial statements.

RELATIONSHIP SAFETY ALLIANCE
fka: MID-MINNESOTA WOMEN'S CENTER, INC.
 Brainerd, Minnesota

STATEMENT OF CASH FLOWS
 For the Year Ended September 30,

	2023	2022
Net Cash Flows From Operating Activities:		
Change in net assets	\$(237,640)	\$ 85,176
Adjustment to reconcile net income to net cash from operations:		
Depreciation	73,772	80,998
Decrease/(increase) in:		
Grants receivable	213,796	(167,781)
Prepaid expenses	(5,705)	(4,286)
Increase/(decrease) in:		
Accounts payable	10,199	(3,974)
Accrued payroll	7,245	1,312
Accrued employee benefits	16,740	(17,683)
Other accrued liabilities	-	-
Net Cash Provided by Operations	78,407	(26,238)
Cash Flows From Investing Activities:		
Short-term investments, net	(61,594)	32,037
Purchase of fixed assets	(3,961)	-
Net Cash Used By Investing Activities	(65,555)	32,037
Net Decrease in Cash	12,852	5,799
Cash - Beginning of Year	327,952	322,153
Cash - End of Year	\$ 340,804	\$ 327,952

Supplemental Information:

Interest paid	\$ <u> -</u>	\$ <u> -</u>
Income tax paid	\$ <u> -</u>	\$ <u> -</u>

See accompanying notes to financial statements.

RELATIONSHIP SAFETY ALLIANCE
fka: MID-MINNESOTA WOMEN'S CENTER, INC.
Brainerd, Minnesota

NOTES TO FINANCIAL STATEMENTS
As of September 30, 2023 and 2022

1. NATURE OF THE ORGANIZATION

Relationship Safety Alliance fka: Mid-Minnesota Women's Center, Inc. (the Center) maintains a 24 hour shelter and provides support for at-risk women and children in central Minnesota. The Center also maintains a facility that provides safe visits and exchanges for children.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Center conform to accounting policies generally accepted in the United States of America. The following is a summary of the more significant accounting policies:

Basis of Presentation – Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* - Those resources not subject to donor-imposed restrictions. The Center has discretionary control over these resources.
- *Net Assets With Donor Restrictions* – Those resources subject to donor-imposed restrictions which will be satisfied by actions of the Center or passage of time. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource has been fulfilled, or both

Donor restricted contributions whose restrictions are met in the same year as the gift is made are reported as contributions in the statement of operations and changes in net assets without donor restrictions.

Basis of Accounting – The financial statements of the Center have been prepared on the accrual basis of accounting.

Cash and Cash Equivalents - This balance includes checking and savings accounts and petty cash.

Short-Term Investments – Short-term investments includes investments in stocks and mutual funds with readily determinable fair values and certificates of deposit with initial maturities of three months or more. These investments are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Donated Services and Materials - The Center receives donated services from a variety of unpaid volunteers assisting the Center in providing support to at-risk women and children. Except for the matching amounts required on some grants, no amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort have not been satisfied. Donated services for the grant match amounts are valued at rates comparable to local wages. Any donated materials are recorded at fair market value on the date of the donation.

Use of Estimates - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management's 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 these estimates.

Property and Equipment – The Center capitalizes property and equipment over \$750. Lesser amounts are expensed. Purchased property and equipment are stated at cost. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

RELATIONSHIP SAFETY ALLIANCE
fka: MID-MINNESOTA WOMEN'S CENTER, INC.
 Brainerd, Minnesota

NOTES TO FINANCIAL STATEMENTS
 As of September 30, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising - Expenditures for advertising are charged to expense as incurred.

Revenue Recognition – Grant revenue from the Minnesota Department of Public Safety is recognized as performance obligations are met. Payment is received after the performance obligation has been met.

Functional Expenses – Functional expenses have been allocated among program services, management and general, and fundraising based on an analysis of personnel time and space utilized for the related activities.

Income Taxes – The Center is a not-for-profit organization exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and is not considered a private foundation under Section 509(A). The Center provides shelter and support to at-risk women and children in central Minnesota.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending September 30, 2021, 2022, and 2023 are subject to examination by the IRS, generally for three years after they were filed.

Subsequent Events - In preparing these financial statements, the Center has evaluated events and transactions for potential recognition or disclosure through April 18, 2024, the date the financial statements were available to be issued.

3. INVESTMENTS

The fair value of short-term investments totaled \$675,010 and \$613,416 as of September 30, 2023 and 2022, respectively.

The following schedule summarizes their classification in the statement of activities for the years ended September 30, 2023 and 2022. All activity was unrestricted.

	2023	2022
Interest and dividend income	\$ 31,225	\$ 32,612
Net realized and unrealized income/(losses)	38,658	(112,480)
Total investment return	\$ 69,883	\$ (79,868)

4. FIXED ASSETS

The following schedule summarizes the changes in fixed assets for the year ended September 30, 2023:

	Balance 9-30-22	Additions	Deletions/ Adjustments	Balance 9-30-23
Land	\$ 60,495	\$ -	\$ -	\$ 60,495
Buildings	1,274,206	3,961	-	1,278,167
Furniture & fixtures	227,294	-	-	227,294
Vehicles	55,897	-	-	55,897
	1,617,892	3,961	-	1,621,853
Accumulated depreciation	(1,023,086)	(73,772)	-	(1,096,858)
Totals	\$ 594,806	\$ (69,811)	\$ -	\$ 524,995

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets and for the years ended September 30, 2023 and 2022, totaled \$73,772 and \$80,998, respectively.

RELATIONSHIP SAFETY ALLIANCE
fka: MID-MINNESOTA WOMEN'S CENTER, INC.
Brainerd, Minnesota

NOTES TO FINANCIAL STATEMENTS
As of September 30, 2023 and 2022

5. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities 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. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds – Valued at 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 values (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Common stocks – Valued at daily closing price as reported on the active market on which the individual securities are traded. The common stocks held by the Organization are deemed to be actively traded.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of September 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 26,284	\$ –	\$ –	\$ 26,284
Mutual funds	382,470	–	–	382,470
Corporate bonds	64,824	–	–	64,824
Common stocks	201,432	–	–	201,432

6. COMPENSATED ABSENCES

The Center's full-time employees can accumulate up to 240 hours of vacation time. Depending upon their length of employment, full-time employees earn from 8 to 16 hours per month. Regular part-time employees receive pro-rated vacation hours. Accrued vacation and compensation payable as of September 30, 2023 and 2022 have been presented. Sick leave is earned at a rate of 8 hours per month and can accumulate to 400 hours. Unused sick leave is not paid out upon separation from the Center, and therefore no amount has been accrued.

RELATIONSHIP SAFETY ALLIANCE
fka: MID-MINNESOTA WOMEN'S CENTER, INC.
 Brainerd, Minnesota

NOTES TO FINANCIAL STATEMENTS
 As of September 30, 2023 and 2022

7. EMPLOYEE TAX-DEFERRED ANNUITY PLAN

The Center has a tax deferred annuity plan for certain employees. Under the terms of the plan, for full-time employees of between one and five years, the Center matches employee contributions to a tax-deferred annuity in an annual amount not to exceed 3 percent of the employee's salary. For full-time employees of more than five years, the Center contributes 5 percent if the employee contributes at least 3 percent. Contributions made by the Center to the plan were \$14,213 and \$19,823 for the years ended September 30, 2023 and 2022, respectively.

8. LEASES

During 2020, the Center entered into two leases for copiers. The leases require minimum monthly payments of \$93 through May 2025. Total rental payments were \$2,232 and \$2,232 for the years ended September 30, 2023 and 2022, respectively. Future payments on the leases are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2024	2,232
2025	<u>1,488</u>
Total	<u>\$ 3,720</u>

9. LIQUIDITY

As of September 30, 2023 and 2022, the Organization had working capital of \$1,007,987 and \$1,175,816 and average day's cash and investments on hand of approximately 285 and 393 days, respectively.

Financial assets available for general expenditure within one year of the balance sheet date consist of the following:

	2023	2022
Cash and cash equivalents	\$ 340,804	\$ 327,952
Investments	675,010	613,416
Grants receivable	<u>44,767</u>	<u>258,563</u>
Total	<u>\$1,060,581</u>	<u>\$1,199,931</u>

11. ORGANIZATION NAME CHANGE

The Organization, at its January 10, 2022 board meeting, officially adopted new articles of incorporation changing the name of the Organization from Mid-Minnesota Women's Center, Inc. to Relationship Safety Alliance. All necessary filings required for this name change are in the process of being finalized.