LIVESAFE RESOURCES, INC.

FINANCIAL REPORT

JUNE 30, 2017

LIVESAFE RESOURCES, INC.

FINANCIAL REPORT
JUNE 30, 2017

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MAULDIN
& JENKINS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
liveSAFE Resources, Inc.
Marietta, Georgia

Report of the Financial Statements

We have audited the accompanying financial statements of **liveSAFE Resources, Inc.** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the liveSAFE Resources, Inc. as of June 30, 2017 and 2016, 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.

Other Matters

Other 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* (CFR) 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. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis and is also 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 information 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 December 18, 2017, on our consideration of liveSAFE Resources, Inc.'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering liveSAFE Resources, Inc.'s internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 18, 2017

LIVESAFE RESOURCES, INC.

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

Assets	2017	2016
Current assets		
Cash and cash equivalents	$ 91,622	$ 54,858
Investments	195,174	170,806
Grants receivable	270,294	464,809
Accounts receivable	5,000	25,287
Pledges receivable, net	29,444	91,685
Pledges receivable, net - capital	53,806	128,571
Prepaid expenses	10,184	17,955
Total current assets	655,524	953,971
Noncurrent assets		
Pledges receivable, net - capital	63,422	85,449
Property and equipment		
Land	137,755	137,755
Building and improvements	7,534,481	7,493,783
Furniture and equipment	693,238	689,317
Vehicles	21,752	21,752
Renovations in progress	-	2,349
Total property and equipment, at cost	8,387,226	8,344,956
Less accumulated depreciation	2,648,123	2,248,230
Total property and equipment, net	5,739,103	6,096,726
Intangible assets		
Software	16,221	16,221
Less accumulated amortization	14,901	11,731
Total intangible assets, net	1,320	4,490
Total assets	$ 6,459,369	$ 7,140,636
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 28,714	$ 30,872
Accrued expenses	75,817	60,581
Operating line of credit	253,410	249,388
Construction loan	15,110	-
Total current liabilities	373,051	340,841
Non-current liabilities		
Construction loan	402,353	417,463
Total liabilities	775,404	758,304
Unrestricted net assets		
Designated by Board	138,714	138,714
Undesignated	5,522,353	6,195,407
Total unrestricted net assets	5,661,067	6,334,121
Temporarily restricted net assets	22,898	48,211
Total net assets	5,683,965	6,382,332
Total liabilities and net assets	$ 6,459,369	$ 7,140,636

See Notes to Financial Statements.

LIVESAFE RESOURCES, INC.

STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2017 AND 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and Revenue						
Program revenue	$ 93,301	$ -	$ 93,301	$ 125,637	$ -	$ 125,637
Grants revenue	1,503,223	-	1,503,223	1,646,674	-	1,646,674
Contributions	147,957	86,271	234,228	321,253	-	321,253
Fundraising	467,551	-	467,551	417,072	-	417,072
Investment interest, dividends, gains and losses	24,265	-	24,265	(2,909)	-	(2,909)
Loss on retirement of property and equipment	-	-	-	(9,796)	-	(9,796)
Other	7,950	-	7,950	3,960	-	3,960
Net assets released from restrictions	111,584	(111,584)	-	30,390	(30,390)	-
Total support and revenue	2,355,831	(25,313)	2,330,518	2,532,281	(30,390)	2,501,891
Expenses						
Program services	2,314,908	-	2,314,908	2,195,149	-	2,195,149
Management and general	226,957	-	226,957	238,127	-	238,127
Development	376,168	-	376,168	185,439	-	185,439
Fundraising	110,852	-	110,852	103,593	-	103,593
Total expenses	3,028,885	-	3,028,885	2,722,308	-	2,722,308
Change in Net Assets	(673,054)	(25,313)	(698,367)	(190,027)	(30,390)	(220,417)
Net Assets						
Beginning of year	6,334,121	48,211	6,382,332	6,524,148	78,601	6,602,749
Net Assets						
End of year	$ 5,661,067	$ 22,898	$ 5,683,965	$ 6,334,121	$ 48,211	$ 6,382,332

See Notes to Financial Statements.

LIVESAFE RESOURCES, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017

	Program Services	Management and General	Development	Fundraising	Total Expenses
Salaries and wages	$ 1,058,401	$ 50,721	$ 95,190	$ -	$ 1,204,312
Payroll taxes	77,882	3,718	7,127	-	88,727
Fringe benefits	106,300	4,912	8,467	-	119,679
Professional services	70,749	74,219	83,383	-	228,351
Supplies and equipment	31,636	1,773	25,865	-	59,274
Program aids and food	28,497	1,614	2,494	110,852	143,457
Telephone	15,636	1,884	2,425	-	19,945
Insurance	20,457	16,119	1,203	-	37,779
Postage	962	313	1,715	-	2,990
Occupancy	27,906	9,097	1,428	-	38,431
Utilities	67,373	7,569	3,722	-	78,664
Printing and publications	201	-	274	-	475
Repairs and maintenance	90,602	5,613	5,780	-	101,995
Local transportation	7,446	240	70	-	7,756
Conferences and training	11,278	1,429	940	-	13,647
Membership dues and subscriptions	2,731	4,821	150	-	7,702
Bank charges/interest	23,530	24,582	-	-	48,112
Client assistance	282,334	-	-	-	282,334
Affiliated dues	4,290	501	252	-	5,043
Advertisting	675	1,277	1,786	-	3,738
Bad debts	-	-	133,139	-	133,139
Miscellaneous	169	103	-	-	272
Total expenses before depreciation and amortization	1,929,055	210,505	375,410	110,852	2,625,822
Depreciation and amortization	385,853	16,452	758	-	403,063
Total expenses	$ 2,314,908	$ 226,957	$ 376,168	$ 110,852	$ 3,028,885

See Notes to Financial Statements.

LIVESAFE RESOURCES, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016

	Program Services	Management and General	Development	Fundraising	Total Expenses
Salaries and wages	$ 837,521	$ 46,616	$ 103,620	$ -	$ 987,757
Payroll taxes	64,648	3,009	7,905	-	75,562
Fringe benefits	70,393	3,057	7,246	-	80,696
Professional services	74,820	77,581	35,230	-	187,631
Supplies and equipment	50,627	4,214	4,837	-	59,678
Program aids and food	31,835	1,961	7,224	103,593	144,613
Telephone	11,690	1,876	2,241	-	15,807
Insurance	22,855	5,509	1,280	-	29,644
Postage	501	1,550	2,900	-	4,951
Occupancy	28,263	10,453	1,500	-	40,216
Utilities	67,297	7,873	3,937	-	79,107
Printing and publications	3,126	128	399	-	3,653
Repairs and maintenance	97,058	11,237	3,280	-	111,575
Local transportation	7,273	779	25	-	8,077
Conferences and training	6,023	3,764	1,145	-	10,932
Membership dues and subscriptions	3,522	5,070	150	-	8,742
Bank charges/interest	31,789	33,776	-	-	65,565
Client assistance	392,904	-	-	-	392,904
Affiliated dues	11,588	877	448	-	12,913
Advertising	545	980	400	-	1,925
Miscellaneous	174	1,532	1,090	-	2,796
Total expenses before depreciation and amortization	1,814,452	221,842	184,857	103,593	2,324,744
Depreciation and amortization	380,697	16,285	582	-	397,564
Total expenses	$ 2,195,149	$ 238,127	$ 185,439	$ 103,593	$ 2,722,308

See Notes to Financial Statements.

LIVESAFE RESOURCES, INC.

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Change in net assets	$ (698,367)	$ (220,417)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	399,893	394,393
Amortization	3,170	3,171
Realized and unrealized (gains) losses on investments	(24,368)	3,955
Loss on retirement of property and equipment	-	9,796
(Increase) decrease in accounts receivable	20,287	(18,456)
(Increase) decrease in grants receivable	194,515	(284,144)
Decrease in pledges receivable	159,033	31,115
Decrease in prepaid expenses	7,771	1,447
Decrease in accounts payable	(2,158)	(75,737)
Increase (decrease) in accrued expenses	15,236	(51,971)
Total adjustments	773,379	13,569
Net cash provided by (used in) operating activities	75,012	(206,848)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(42,270)	(248,006)
Net cash (used in) investing activities	(42,270)	(248,006)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on lines of credit	(136,978)	(540,000)
Proceeds from lines of credit	141,000	316,061
Net cash provided by (used in) financing activities	4,022	(223,939)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	36,764	(678,793)
CASH AND CASH EQUIVALENTS		
Beginning of year	54,858	733,651
CASH AND CASH EQUIVALENTS		
End of year	$ 91,622	$ 54,858
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
CASH PAID DURING THE YEAR:		
Interest	$ 17,020	$ 25,568

See Notes to Financial Statements.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Nature of Activities

liveSAFE Resources, Inc. (the "Organization") was created in 1917 as a nonprofit organization established for the purpose of serving the community by helping women achieve self-sufficient and productive lives for themselves and their families. The Organization's primary function is that of being a leading advocate of women, and to strengthen women in mind, body, and spirit through its programs serving victims of domestic violence and sexual assault. The three-county area includes Cobb, Paulding, and Cherokee. The Organization is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. The Organization, as a voluntary health and welfare organization, continues to develop programs in response to the needs of the community and is supported primarily by grants, income from continuing programs, and contributions from individuals and local businesses.

liveSAFE Resources was previously named Young Women's Christian Association of Northwest Georgia, and it was associated with the Young Women's Christian Association of the United States of America. The board of directors approved disaffiliation effective January 15, 2017. The Organization continues all programs and services to victims of domestic violence and sexual assault.

Programs

The Family Violence program assists victims of domestic violence and sexual assault through an emergency shelter program which provides immediate access to safety, medical, counseling, and basic needs. Temporary housing is provided for victims and their dependent children who want to make permanent changes in their lifestyles and live a violence free life. Housing consists of eighteen rented apartments and three houses. In addition, a 24-hour hotline is available for those seeking counseling and intervention. Program fees for temporary housing are charged to program participants based on their personal income. The sexual assault program provides hospital accompaniment, forensic examinations, and counseling and support for victims of sexual assault.

Supporting Services

Development activities include the generation of funds and/or resources for the Organization by the development of relationships with corporate sponsors, members, grantors, and donors. This is achieved through grant awards, volunteers, donations, and fundraising activities.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Organization presents its financial statements in accordance with the Financial Accounting Standards Board, *Financial Statements of Not-for-Profit Organizations.* The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows. The Organization separates net assets into the three classes, and has, accordingly, classified its financial statements to present the classes of net assets required.

The Organization follows the policy of reporting donor-restricted contributions and investment income whose restrictions are met within the fiscal year as unrestricted support. There are presently no permanently restricted assets.

The guidance for *Accounting for Contributions Received and Contributions Made* requires that unconditional promises to give be recorded as receivables and revenues and to distinguish between contributions received for each net asset category. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, the related temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an initial maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents consist of cash held in checking and money market accounts. Cash balances are maintained with financial institutions which are insured by the Federal Deposit Insurance Corporation. Balances exceed insured amounts from time to time. Management does not feel that the Organization is exposed to any significant credit risk on these accounts.

Accounts, Grants, and Pledges Receivable

Accounts, grants, and pledges receivable represent amounts due from program participants, grants, and pledges. Provision for uncollectible accounts are provided by using the allowance method based on management estimates and past experience.

Investments

The Organization carries its investments at fair value in accordance with *Accounting for Certain Investments Held by Not-For-Profit Organizations and Fair Value Measurements.* Unrealized gains and losses are recognized as income or loss in the accompanying statements of activities. Investment income, gains, and losses are reported in unrestricted net assets.

Property and Equipment

Property and equipment are recorded at historical cost or at fair market value at the date of gift, if donated. Depreciation is recognized based on the straight-line method over estimated useful lives ranging from 3 to 40 years. Major expenditures for improvements, which substantially increase useful lives, are capitalized. Maintenance, repairs, and minor renewals are expensed in the year incurred. When assets are retired or otherwise disposed of, the related gains or losses are included in income.

The Organization's policy is to capitalize property and equipment whose cost (fair value if donated) equals or exceeds $1,000.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Administrative Costs

The Organization allocates administrative costs such as occupancy, office supplies, printing and telephone to various programs based on total employee time per month for each program. Other office and general costs are charged to the programs based directly on the costs attributable to each program.

Compensated Vacation

Employees of the Organization earn a limited vested right for unused vacation time. An accrual has been made for vacation that employees have earned but not taken.

Revenue and Expense Recognition

Revenue is recognized when earned or received. Deferred revenue represents revenue received in advance for future events.

Reimbursements to be received under contracts with federal grantors are recorded as revenue when the related expenditures are incurred. Reimbursements are based on actual expenditures. Receivables represent amounts due for expenses incurred prior to year-end.

Contributions

Contributions, including unconditional promises to give, are recognized in revenue in the period the promise is made. Conditional promises to give are not recognized until the conditions on which they depend are substantially met.

Contributed and discounted services are recorded by the Organization when these services create or enhance financial assets or require specialized skills, and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

The Organization receives donated clothing, furniture, and toys throughout the year. The fair value of the items has been estimated to be $4,160 and $6,554 for the years ended June 30, 2017 and 2016, respectively, and is included in contributions in the statements of activities.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments

The Organization adopted *Fair Value Measurements,* which provides a framework for measuring fair value under generally accepted accounting principles. This standard applies to all financial instruments that are being measured and reported on a fair value basis.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various methods including market, income and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the assets or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Valuations for assets and liabilities traded in active markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker-traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets and liabilities.

At June 30, 2017 and 2016, the application of valuation techniques applied to similar assets and liabilities has been consistent. The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker-dealers.

If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of these instruments.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments (Continued)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Income Taxes

The Organization qualifies as a charitable organization as defined by Internal Revenue Code Section 501(c)(3) and, accordingly is exempt from federal income taxes under Internal Revenue Code Section 501(a). It is however, required to file Federal Form 990 - Return of Organization Exempt from Income Tax. This is an information return only.

The Organization accounts for uncertain tax positions in accordance with accounting standards that provide guidance on when uncertain tax positions are recognized in an entity's financial statements and how the values of these positions are determined. No liability has been recorded as of June 30, 2017 and 2016 due to uncertain tax positions.

NOTE 2. PLEDGES RECEIVABLE

Pledges receivable at June 30, 2017 and 2016 consisted of the following unconditional promises to give:

	2017	2016
Pledges receivable	$ **33,444**	$ 105,195
Pledges receivable - capital	**133,970**	214,762
Subtotal	**167,414**	319,957
Less allowance for uncollectible pledges receivable	**(20,000)**	(13,510)
Less unamortized discount	**(742)**	(742)
Total	$ **146,672**	$ 305,705

	2017	2016
Amount due in:		
Less than one year	$ **83,250**	$ 220,256
One to three years	**63,422**	85,449
Total	$ **146,672**	$ 305,705

NOTE 3. INVESTMENTS

Investments consist of various mutual fund securities with market values of $195,174 and $170,806 at June 30, 2017 and 2016, respectively. These amounts are held by a single investment services institution.

The following table sets forth by level, within the fair value hierarchy described in Note 1, the Organization's investments at fair value as of June 30, 2017:

	Level 1	Level 2	Level 3	Total
Mutual funds:				
Equities – Large Cap	$ 112,733	$ -	$ -	$ 112,733
Equities – Small Cap	59,049	-	-	59,049
Bond Funds	23,392	-	-	23,392
Total investments at fair value	$ 195,174	$ -	$ -	$ 195,174

The following table sets forth by level, within the fair value hierarchy described in Note 1, the Organization's investments at fair value as of June 30, 2016:

	Level 1	Level 2	Level 3	Total
Mutual funds:				
Equities – Large Cap	$ 93,550	$ -	$ -	$ 93,550
Equities – Small Cap	52,192	-	-	52,192
Bond Funds	25,064	-	-	25,064
Total investments at fair value	$ 170,806	$ -	$ -	$ 170,806

Investment interest, dividends, gains and losses consisted of the following for the years ended June 30, 2017 and 2016:

	2017	2016
Interest and dividends	$ 30	$ 1,057
Realized and unrealized gains (losses)	24,235	(3,966)
Total investment income (loss)	$ 24,265	$ (2,909)

NOTE 4. RESTRICTIONS ON NET ASSETS

The Organization has received grants and contributions restricted by grantors and contributors for specified programs. These restricted grants and contributions are temporarily restricted until used for the program purpose for the time required by the grant or the program purpose as specified by the contributor.

Temporarily restricted net assets were available for the following purposes at June 30, 2017 and 2016:

	2017	2016
Property and equipment	$ 18,481	$ 45,519
Miscellaneous	4,417	2,692
	$ 22,898	$ 48,211

Temporarily restricted net assets were released from donor imposed restrictions by incurring expenses satisfying the restricted purposes or by the expiration of time as follows for the years ended June 30, 2017 and 2016:

	2017	2016
Property and equipment	$ 27,038	$ 30,390
Rebranding	81,271	-
Miscellaneous	3,275	-
	$ 111,584	$ 30,390

Temporarily restricted assets consisted of the following at June 30, 2017 and 2016:

	2017	2016
Cash	$ 22,898	$ 12,789
Pledges receivable	-	35,422
	$ 22,898	$ 48,211

NOTE 5. DESIGNATIONS ON NET ASSETS

Certain unrestricted net assets are designated for specific purposes by the Board of Directors of the Organization; however, the net assets remain unrestricted and can be used for any corporate purposes by the Organization. The Board designations at June 30, 2017 and 2016 are as follows:

	2017	2016
Quasi-endowment funds	$ 138,714	$ 138,714

NOTE 6. LEASES

The Organization pays for various apartments used in the Family Violence program. Leases are executed in the names of the program recipients for terms of one year or less. Related rent expense totaled $135,535 and $200,110 for the years ended June 30, 2017 and 2016, respectively.

NOTE 7. LINES OF CREDIT

The Organization entered into an unsecured line of credit of $250,000 with a financial institution to provide for working capital. The balance was $253,410 and $249,388 at June 30, 2017 and 2016, respectively. In September 2017 the line was increased to $350,000, extended to mature on August 29, 2020 subject to annual renewal, and modified to bear interest at the prime rate. The variable interest rate floor is set at 4.25%. The line is secured by the Organization's building and improvements.

The Organization entered into a 90 day bridge loan of $1,900,000 which became part of a secured construction line of credit with a financial institution to provide funding for the renovations of the current facility. The balance was $417,463 at June 30, 2017 and 2016. In October 2017 the line was refinanced to a permanent loan with a maturity date of August 29, 2020. Interest accrues at 4.70%, payments of $3,251 are due monthly, and the loan is secured by the Organization's building and improvements and furniture and equipment.

NOTE 8. TRUST AGREEMENT

The Organization is a participant in an unemployment services trust. The trust provides funding for reimbursing state agencies for unemployment benefits paid to former employees of the Organization and other trust participants. Quarterly contributions are made to the trust based on actuarially determined amounts by the trustee. Effective April 2009, contributions to the trust were changed and based on an estimate of taxable wages paid quarterly.

NOTE 9. GRANTS

The Organization received $1,503,223 and $1,646,674 in grants during the years ended June 30, 2017 and 2016, respectively, as follows:

	2017	2016
Criminal Justice Coordinating Council	$ **760,802**	$ 622,447
Georgia Department of Community Affairs	**39,867**	40,000
Office on Violence against Women	**171,019**	91,613
Cobb County, Georgia	**186,864**	338,412
Georgia Department of Early Care and Learning	**20,415**	40,052
U.S. Department of Housing and Urban Development	**144,444**	223,940
United Way	**106,463**	100,000
Private grants	**73,349**	190,210
	$ **1,503,223**	$ 1,646,674

NOTE 10. MAJOR SOURCES OF REVENUE

The Organization is economically dependent upon grants from federal and state sources for funding of program and operational expenses. The Organization is subject to possible examinations by the federal and state agencies to determine compliance with terms, conditions, laws, and regulations governing the grants given to The Organization.

For the years ended June 30, 2017 and 2016, approximately 32% and 27%, respectively, of total support and revenue was received under grants from one government agency.

NOTE 11. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 12. RETIREMENT PLAN

All eligible employees of the Organization are included in a contributory, defined contribution 401(k) retirement plan. The plan stipulates that the Organization funds an amount equal to 3% of each eligible employee's salary. Under this plan, the Organization's contributions begin after employees complete one year of service with over 1,000 hours in the year, and employees are vested after two years of service. The Organization's contributions to retirement plans were $20,531 and $19,374 for the years ended June 30, 2017 and 2016, respectively.

NOTE 13. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events occurring through December 18, 2017, the date on which the financial statements were available to be issued.

SINGLE AUDIT SECTION

LIVESAFE RESOURCES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

Programs	CFDA No.		Grant No.	Expenditures
U.S. DEPT. OF HEALTH & HUMAN SERVICES				
Criminal Justice Coordinating Council				
Emergency Shelter	93.991		V16-8-046	$ 36,734
Domestic Violence Underserved	93.991		V15-8-060	32,780
Sexual Assault Prevention Health Block	93.991		O17-8-023	6,985
U.S. DEPT. OF HOUSING & URBAN DEVELOPMENT				
Direct award:				
Supportive Housing Program	14.235		GA0117L1B061407	68,493
Supportive Housing Program	14.235		GA0308L4B061500	77,157
The Center for Family Resources:				
Supportive Housing Program	14.235		GA0110L4B061407	24,116
Cobb County Board of Commissioners				
Community Services Block Grant	14.228		CSBG-16-C16Q	2,289
Community Services Block Grant	14.228		CSBG-17-C17Q	29,677
Home - TBRA	14.239		M-15-DC-130201	38,320
CDBG – Entitlement Grants Cluster				
CDBG - Cobb County	14.218		CD15-C15CY	32,513
U.S. DEPT. OF HOMELAND SECURITY				
Cobb County, GA:				
Emergency Food & Shelter (FEMA)	97.024		184000-006 Phase 32	14,000
U.S. DEPT. OF JUSTICE				
State of GA, Criminal Justice Coordinating Council:				
VOCA	16.575	*	C15-8-058	57,678
VOCA	16.575	*	C15-8-260	206,085
VOCA	16.575	*	C15-8-262	34,500
Sexual Assault Services Program	16.575	*	I14-8-007	1,749
Sexual Assault Services Program	16.575	*	I15-8-003	23,445
Sexual Assault Services Program	16.575	*	I15-8-009	22,459
Office on Violence Against Women:				
Elder Abuse Grant	16.528		2013-EW-AX-K009	179,811
Cobb County Board of Commissioners				
Justice Assistance Grant	16.579		2014-JI4C	2,221
Justice Assistance Grant	16.579		2016-DJ-BX-0093	12,548
U.S. DEPT. OF AGRICULTURE				
State of GA, Dept. of Early Care & Learning:				
Child & Adult Food Care Program	10.558		04605	24,782
TOTAL FEDERAL AWARDS				$ 928,342

The accompanying notes are an integral part of this schedule.

*Denotes major program

LIVESAFE RESOURCES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of liveSAFE Resources, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Organization has elected not to use the 10% de minimis cost rate as allowed under the Uniform Guidance.

LIVESAFE RESOURCES, INC.
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED JUNE 30, 2017

State Grantor Agency Program Title/Contract Number	Grant No.	Expenditures
Criminal Justice Coordinating Council		
Emergency Shelter	X17-8-049	$ 298,221
Sexual Assault Center	X17-8-069	39,632
DEPARTMENT OF COMMUNITY AFFAIRS		
ESGP	17C200	35,000
		$ 372,853

MAULDIN & JENKINS

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*

To the Board of Directors
liveSAFE Resources, Inc.
Marietta, Georgia

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 liveSAFE Resources, Inc. (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2017.

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 opinion 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. 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 18, 2017

MAULDIN
& JENKINS

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

To the Board of Directors
liveSAFE Resources, Inc.
Marietta, Georgia

Report on Compliance for Each Major Federal Program

We have audited liveSAFE Resources, Inc.'s (the "Organization") compliance with the types of compliance requirements described 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 June 30, 2017. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

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 each of its major federal programs for the year ended June 30, 2017.

200 GALLERIA PARKWAY S.E., SUITE 1700 • ATLANTA, GA 30339-5946 • 770-955-8600 • 800-277-0080 • FAX 770-980-4489 • www.mjcpa.com
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Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 18, 2017

MAULDIN
& JENKINS

LIVESAFE RESOURCES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

SECTION I - SUMMARY OF AUDITOR'S RESULTS:
Financial Statements:

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

Federal Awards:

Internal controls over major programs:		
Material weaknesses identified?		**X**
Significant deficiencies identified not considered to be material weaknesses?		**None Reported**
Type of auditors' report issued on compliance for major programs	**Unmodified**	
Audit findings required to be reported in accordance with 2 CFR Section 200.516(a)		**X**

Identification of major programs:

16.575 Crime Victim Assistance

Dollar threshold used to distinguish between type A and type B programs	$ 750,000	
	Yes	**No**
Auditee qualified as low-risk auditee?	**X**	

Section II – Financial Statement Findings

None

Section III - Findings and Questioned Costs for Federal Awards

None

LIVESAFE RESOURCES, INC.
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016

Section II – Financial Statement Findings

None

Section III - Findings and Questioned Costs for Federal Awards

None