

LiveSafe RESOURCES, INC.

FINANCIAL REPORT

JUNE 30, 2021

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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, 2021 and 2020, and the related statements of activities and changes in net assets, 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, 2021 and 2020, 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 January 20, 2022, 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
January 20, 2022

LiveSafe RESOURCES, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

<u>Assets</u>	<u>2021</u>	<u>2020</u>
Current assets		
Cash and cash equivalents	\$ 115,628	\$ 48,886
Investments	2,179	-
Grants receivable	360,848	368,947
Pledges receivable - capital	3,125	4,687
Prepaid expenses	9,638	32,569
Unemployment service trust	40,856	33,369
Total current assets	<u>532,274</u>	<u>488,458</u>
Property and equipment		
Land	137,755	137,755
Building and improvements	7,679,127	7,679,127
Furniture and equipment	806,746	742,374
Vehicles	19,061	19,061
Total property and equipment, at cost	<u>8,642,689</u>	<u>8,578,317</u>
Less accumulated depreciation	4,013,245	3,726,988
Total property and equipment, net	<u>4,629,444</u>	<u>4,851,329</u>
Total assets	<u><u>\$ 5,161,718</u></u>	<u><u>\$ 5,339,787</u></u>
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable	\$ 106,343	\$ 78,020
Accrued expenses	151,523	134,355
Operating line of credit	177,375	85,000
Construction loan	14,448	16,134
Current portion of PPP note payable	101,867	101,867
Deferred revenue	30,008	1,902
Total current liabilities	<u>581,564</u>	<u>417,278</u>
Non-current liabilities		
PPP note payable	203,733	203,733
Other loan	-	10,000
Construction loan, net of debt issuance costs	681,131	682,652
Total non-current liabilities	<u>884,864</u>	<u>896,385</u>
Total liabilities	<u>1,466,428</u>	<u>1,313,663</u>
Net assets		
Without donor restrictions	3,664,944	4,003,388
With donor restrictions	30,346	22,736
Total net assets	<u>3,695,290</u>	<u>4,026,124</u>
Total liabilities and net assets	<u><u>\$ 5,161,718</u></u>	<u><u>\$ 5,339,787</u></u>

See Notes to Financial Statements.

LiveSafe RESOURCES, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Support and Revenue						
Program revenue	\$ 179,920	\$ -	\$ 179,920	\$ 189,202	\$ -	\$ 189,202
Grants revenue	2,319,939	-	2,319,939	1,932,513	-	1,932,513
Contributions	120,686	27,392	148,078	124,349	33,075	157,424
Special events, net of expenses						
\$5,984 for 2021 and \$55,238 for 2020	18,465	-	18,465	71,554	-	71,554
Investment income and (loss)	6,302	-	6,302	(256)	-	(256)
Other	19,306	-	19,306	1,291	-	1,291
Forgiveness of debt	315,600	-	315,600	-	-	-
Net assets released from restrictions	19,782	(19,782)	-	20,587	(20,587)	-
Total support and revenue	<u>3,000,000</u>	<u>7,610</u>	<u>3,007,610</u>	<u>2,339,240</u>	<u>12,488</u>	<u>2,351,728</u>
Expenses						
Program services	2,654,420	-	2,654,420	2,608,050	-	2,608,050
Supporting services						
Management and general	494,456	-	494,456	457,153	-	457,153
Fundraising and development	189,568	-	189,568	116,349	-	116,349
Total expenses	<u>3,338,444</u>	<u>-</u>	<u>3,338,444</u>	<u>3,181,552</u>	<u>-</u>	<u>3,181,552</u>
Change in Net Assets	(338,444)	7,610	(330,834)	(842,312)	12,488	(829,824)
Net Assets						
Beginning of year	<u>4,003,388</u>	<u>22,736</u>	<u>4,026,124</u>	<u>4,845,700</u>	<u>10,248</u>	<u>4,855,948</u>
Net Assets						
End of year	<u>\$ 3,664,944</u>	<u>\$ 30,346</u>	<u>\$ 3,695,290</u>	<u>\$ 4,003,388</u>	<u>\$ 22,736</u>	<u>\$ 4,026,124</u>

See Notes to Financial Statements.

LiveSafe RESOURCES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total Expenses</u>
		<u>Management and General</u>	<u>Fundraising and Development</u>	
Salaries and wages	\$ 1,354,721	\$ 139,487	\$ 124,458	\$ 1,618,666
Payroll taxes	98,320	11,152	8,875	118,347
Fringe benefits	136,187	8,246	11,067	155,500
Professional services	240,793	124,495	511	365,799
Client assistance	266,968	-	-	266,968
Utilities	65,077	22,402	326	87,805
Repairs and maintenance	74,772	12,288	1,611	88,671
Supplies and equipment	68,714	7,131	3,335	79,180
Conferences and training	8,731	2,587	397	11,715
Insurance	16,222	40,796	1,292	58,310
Information technology	3,228	15,820	7,901	26,949
Bank charges/interest	-	72,003	-	72,003
Telephone	20,705	1,932	481	23,118
Miscellaneous	100	70	-	170
Printing and publications	13,518	227	5,160	18,905
Program aids and food	16,052	998	21,151	38,201
Travel	130	-	-	130
Local transportation	3,535	-	132	3,667
Occupancy	5,502	1,312	140	6,954
Membership dues and subscriptions	1,592	870	223	2,685
Advertising	-	3,996	134	4,130
Postage	1,922	1,163	1,229	4,314
	<u>2,396,789</u>	<u>466,975</u>	<u>188,423</u>	<u>3,052,187</u>
Total expenses before depreciation				
Depreciation	257,631	27,481	1,145	286,257
	<u>\$ 2,654,420</u>	<u>\$ 494,456</u>	<u>\$ 189,568</u>	<u>\$ 3,338,444</u>
Total expenses				

See Notes to Financial Statements.

LiveSafe RESOURCES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

	Program Services	Supporting Services		Total Expenses
		Management and General	Fundraising and Development	
Salaries and wages	\$ 1,315,579	\$ 134,360	\$ 84,777	\$ 1,534,716
Payroll taxes	95,154	9,203	6,257	110,614
Fringe benefits	138,817	6,649	1,662	147,128
Professional services	209,960	121,056	635	331,651
Client assistance	222,732	37	-	222,769
Utilities	66,637	26,833	870	94,340
Repairs and maintenance	77,677	24,675	1,924	104,276
Supplies and equipment	54,621	8,515	2,179	65,315
Conferences and training	19,104	385	364	19,853
Insurance	14,076	42,678	883	57,637
Information technology	6,254	2,046	1,297	9,597
Bank charges/interest	-	42,728	-	42,728
Telephone	18,536	3,357	445	22,338
Miscellaneous	483	901	-	1,384
Printing and publications	2,349	331	978	3,658
Program aids and food	13,097	1,829	794	15,720
Travel	13,417	534	246	14,197
Local transportation	11,812	40	191	12,043
Occupancy	5,788	8,680	27	14,495
Membership dues and subscriptions	1,471	4,188	384	6,043
Advertising	-	4,076	310	4,386
Postage	794	427	1,334	2,555
Bad debts	-	-	10,157	10,157
Total expenses before depreciation	2,288,358	443,528	115,714	2,847,600
Depreciation	319,692	13,625	635	333,952
Total expenses	\$ 2,608,050	\$ 457,153	\$ 116,349	\$ 3,181,552

See Notes to Financial Statements.

LiveSafe RESOURCES, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Change in net assets	<u>\$ (330,834)</u>	<u>\$ (829,824)</u>
Adjustments to reconcile change in net assets to net cash (used in) operating activities		
Forgiveness of debt	(315,600)	-
Depreciation	286,257	327,199
Interest expense on loan cost	6,463	6,753
Realized and unrealized losses on investments	(6,267)	898
Changes in assets and liabilities		
Decrease in accounts receivable	-	6,011
Decrease in grants receivable	8,099	139,057
Decrease in pledges receivable	1,562	22,088
Decrease (increase) in prepaid expenses	22,931	(19,125)
Increase in accounts payable	28,323	35,747
Increase (decrease) in deferred revenue	28,106	(4,498)
Increase in accrued expenses	17,168	17,888
Total adjustments	<u>77,042</u>	<u>532,018</u>
Net cash used in operating activities	<u>(253,792)</u>	<u>(297,806)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(64,372)	(24,875)
Purchase of investment securities	<u>(3,399)</u>	-
Net cash (used in) investing activities	<u>(67,771)</u>	<u>(24,875)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on lines of credit and loans payable	(1,108,840)	(667,811)
Payments for debt issuance costs	(3,830)	-
Proceeds from lines of credit and loans payable	<u>1,500,975</u>	<u>979,220</u>
Net cash provided by financing activities	<u>388,305</u>	<u>311,409</u>
NET INCREASE (DECREASE) CASH AND CASH EQUIVALENTS	66,742	(11,272)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>48,886</u>	<u>60,158</u>
CASH AND CASH EQUIVALENTS		
End of year	<u>\$ 115,628</u>	<u>\$ 48,886</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
CASH PAID DURING THE YEAR:		
Interest	<u>\$ 62,262</u>	<u>\$ 42,183</u>

See Notes to Financial Statements.

LiveSafe RESOURCES, INC.
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

Fundraising and 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.

NOTES TO FINANCIAL STATEMENTS

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Organization follows the requirements of the Financial Accounting Standards Board (FASB)'s Financial Statements of Not-for-Profit Organizations. Under this guidance, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

The Organization follows the policy of reporting donor-restricted contributions and investment income whose restrictions are met within the fiscal year as support without donor restrictions.

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 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 with donor restriction support that increases that net asset class. When a restriction expires, the related donor restricted net assets are reclassified to without donor restriction 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.

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.

NOTES TO FINANCIAL STATEMENTS

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. As of June 30, 2021 and June 30, 2020 no allowance for doubtful accounts was deemed necessary.

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 net assets without donor restrictions.

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 \$2,500.

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.

NOTES TO FINANCIAL STATEMENTS

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 services, clothing, furniture, and toys throughout the year. The fair value of the items has been estimated to be \$405 and \$4,866 for the years ended June 30, 2021 and 2020, respectively, and is included in contributions in the statements of activities.

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, 2021 and 2020 due to uncertain tax positions.

NOTES TO FINANCIAL STATEMENTS

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses

The costs of providing the various program services and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Depreciation, utilities, and occupancy expenses are allocated on a square footage basis. Salaries and benefits are allocated on the basis of estimates of time and effort.

NOTE 2. 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 restricted until used for the program purpose for the time required by the grant or the program purpose as specified by the contributor.

Net assets with donor restrictions were available for the following purposes at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
SANE program	\$ 500	\$ -
Children's and domestic violence program	24,601	22,736
Other	<u>5,245</u>	<u>-</u>
Total	<u>\$ 30,346</u>	<u>22,736</u>

Net assets with donor restrictions 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, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Children's and domestic violence program	\$ 19,635	\$ 20,587
Other	<u>147</u>	<u>-</u>
Total	<u>\$ 19,782</u>	<u>\$ 20,587</u>

Net assets with donor restrictions consisted of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash	<u>\$ 30,346</u>	<u>\$ 22,736</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. 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 \$133,972 and \$149,077 for the years ended June 30, 2021 and 2020, respectively.

NOTE 4. LINES OF CREDIT AND LOANS PAYABLE

The Organization entered into a secured line of credit of \$450,000 with a financial institution to provide for working capital. The balance was \$177,375 and \$85,000 at June 30, 2021 and 2020, respectively. The line bears an interest rate of 3.25% and matures on March 28, 2022.

The Organization entered into a loan agreement in the amount of \$733,000 to refinance the construction loan. The loan carries an interest rate of 5.25%. Principal is to be paid monthly in the amount of \$4,330 through December 2023. A balloon payment will be made on the remaining outstanding balance at the time of maturity on January 28, 2024. The loan is secured by the Organization's building and improvements and furniture and equipment. The principal balance outstanding on the loan was \$710,464 and \$716,304 at June 30, 2021 and 2020, respectively.

The Organization applied for and received a second Paycheck Protection Program loan of \$305,600 from the Paycheck Protection Program on January 29, 2021. The monies were received via a Paycheck Protection Program Promissory Note to be paid via a fixed payment schedule commencing seven months from the date the loan is funded, consisting of 17 monthly payments of principal and interest with a rate of 1.00% per annum. The Organization requested and was granted full forgiveness for the note during the fiscal year ended June 30, 2022. The Organization had an outstanding note payable balance of \$305,600 as of June 30, 2021.

The Organization applied for and received a first round of Paycheck Protection Program loan of \$305,600 from the Paycheck Protection Program on April 7, 2020. The Organization applied for the forgiveness and received full forgiveness on the note. The full amount of loan forgiven is reported on Statement of Activities.

Future principal maturities are as follow:

Year ending June 30,	
2022	\$ 293,690
2023	218,970
2024	<u>680,779</u>
	1,193,439
Less debt issuance costs	<u>(14,885)</u>
Total	<u><u>\$ 1,178,554</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. 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 6. 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 \$33,221 and \$27,148 for the years ended June 30, 2021 and 2020, respectively.

NOTE 7. GRANTS

The Organization received \$2,319,939 and \$1,932,513 in grants during the years ended June 30, 2021 and 2020, respectively, as follows:

	2021	2020
Criminal Justice Coordinating Council	\$ 1,476,071	\$ 1,304,658
Office on Violence against Women	205,760	132,371
Cobb County, Georgia	144,144	115,752
Georgia Department of Early Care and Learning	17,793	16,545
U.S. Department of Housing and Urban Development	196,328	162,755
Center for Family Resources	67,043	41,894
United Way	35,000	98,278
Private grants	177,800	60,260
	\$ 2,319,939	\$ 1,932,513

NOTE 8. LIQUIDITY AND AVAILABILITY

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	2021	2020
Cash and cash equivalents	\$ 115,628	\$ 48,886
Grants receivable	360,848	368,947
Investments	2,179	-
Pledges receivable	3,125	4,687
Less: Cash held for donor restrictions	(30,346)	(22,736)
	\$ 451,434	\$ 399,784

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LIQUIDITY AND AVAILABILITY (Continued)

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization has an operating line of credit in the amount of \$450,000, which is also available as needed.

NOTE 9. EFFECTS OF COVID-19 CORONAVIRUS

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are worldwide. The related financial impacts and duration cannot be reasonably estimated.

NOTE 10. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events occurring through January 20, 2022, 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, 2021

Programs	CFDA No.	Grant No.	Expenditures
U.S. DEPT. OF HEALTH & HUMAN SERVICES			
Criminal Justice Coordinating Council			
Emergency Shelter	93.671	V20-8-024	\$ 36,734
Sexual Assault Prevention Health Block	93.991	O21-8-005	9,500
Cobb County			
Community Service Block Grant	93.569	CSBG-20-C20T	3,820
Community Service Block Grant	93.569	CSBG-21-C21Q	11,760
U.S. DEPT. OF HOUSING & URBAN DEVELOPMENT			
Direct award:			
Supportive Housing Program	14.267	GA0117L4B061811	100,875
Supportive Housing Program	14.267	GA0117L4B061912	95,453
The Center for Family Resources:			
Supportive Housing Program	14.267	GA0308L4B061904	43,824
Supportive Housing Program	14.267	GA0308L4B061905	23,218
Cobb County Board of Commissioners			
Home - TBRA	14.239	M-18-DC-130201	21,296
Home - TBRA	14.239	M-21-DC-130201	21,130
Emergency Shelter Grant	14.231	E-18-UC-13-0008	11,977
Emergency Shelter Grant	14.231	E-21-UC-13-0008	17,269
Community Development Block Grant (CDBG)	14.218	B-21-UC-21-0002	5,402
U.S. DEPT. OF JUSTICE			
State of GA, Criminal Justice Coordinating Council:			
Victims of Crime Act – Domestic Violence	16.575	* C18-8-175	185,749
Victims of Crime Act – Domestic Violence	16.575	* C19-8-145	363,878
Victims of Crime Act – Sexual Assault	16.575	* C18-8-291	95,770
Victims of Crime Act – Sexual Assault	16.575	* C18-8-511	229,142
Victims of Crime Act – Elder Abuse	16.575	* C18-8-176	52,682
Victims of Crime Act – Elder Abuse	16.575	* C19-8-146	69,114
Victims of Crime Act – Competitive	16.575	* C18-8-177	8,946
Victims of Crime Act – Competitive	16.575	* C19-8-147	31,564
Sexual Assault Cold Case Therapy	16.575	* C18-8-097	15,500
SASP ART	16.017	I19-8-001	51,508
Office on Violence Against Women:			
Elder Abuse Grant	16..889	2019-EW-AX-K007	92,382
Elder Abuse Grant	16..889	2019-V3-GX0011	51,073
Elder Abuse Grant	16..889	2019-WL-AX-0033	62,305
Cobb County Board of Commissioners			
Justice Assistance Grant	16.738	2019-DJ-BX-0555	102
Justice Assistance Grant	16.738	2019-DJ-BX-0896	10,021
Justice Assistance Grant	16.738	2020-DJ-BX-0811	11,867
U.S. DEPT. OF HOMELAND SECURITY			
Cobb County:			
FEMA Emergency Food & Shelter (EFSP)	97.024	1840-00-006 Phase 37	8,000
FEMA Emergency Food & Shelter (EFSP)	97.024	1840-00-006 Phase 38	1,500
U.S. DEPT. OF AGRICULTURE			
State of GA, Dept. of Early Care & Learning:			
Child & Adult Food Care Program	10.558	04605-2020	3,289
Child & Adult Food Care Program	10.558	04605-2021	14,504
TOTAL FEDERAL AWARDS			\$ 1,761,154

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, 2021

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, 2021

State Grantor Agency Program Title/Contract Number	Grant No.	Expenditures
Criminal Justice Coordinating Council		
Emergency Shelter (DV)	X21-8-026	\$ 284,286
Sexual Assault Center	X21-8-052	41,698
TOTAL STATE AWARDS		\$ 325,984



**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, 2021, 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 January 20, 2022.

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
January 20, 2022



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, 2021. 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, 2021.

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
January 20, 2022

LiveSafe RESOURCES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

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

	Unmodified	
	Yes	No
Type of auditors' report issued		
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

LiveSafe RESOURCES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

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, 2020

Section II – Financial Statement Findings

None

Section III - Findings and Questioned Costs for Federal Awards

None