

THE SAFE ALLIANCE

March 31, 2021

COMBINED AND CONSOLIDATED  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT

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FINANCIAL SECTION



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
The SAFE Alliance

### **Report on the Combined and Consolidated Financial Statements**

We have audited the accompanying combined and consolidated financial statements of The SAFE Alliance, which includes The SAFE Alliance, SAFE Alliance Foundation, SAFE Alliance Facilities Holdings, and Grove Place Partners GP, Inc. and their subsidiaries (collectively, the Organizations), which comprise the combined and consolidated statement of financial position as of March 31, 2021, and the related combined and consolidated statement of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the combined and consolidated financial statements.

### **Management's Responsibility for the Combined and Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these combined and consolidated 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 combined and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these combined and consolidated financial statements based on our audit. We did not audit the financial statements of Grove Place Partners GP, Inc., a related entity to The Safe Alliance, whose statements reflect total assets constituting 22% of combined and consolidated total assets at March 31, 2021, and total public support and revenue without donor restriction constituting 18% of combined and consolidated total public support and revenue without donor restriction for the period then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Grove Place Partners GP, Inc., is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit 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 combined and consolidated financial statements are free of 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 auditors' 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 auditors consider 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 combined and consolidated financial statements referred to above present fairly, in all material respects, the combined and consolidated financial position of The SAFE Alliance as of March 31, 2021, and the combined and consolidated results of their operations and cash flows for the year ended March 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

### **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the combined and consolidated financial statement as a whole. The Schedule of Expenditures of Federal and State 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* (Uniform Guidance) and the *State of Texas Single Audit Circular*, is presented for purposes of additional analysis and is not a required part of the combined and consolidated 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 combined and consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined and consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined and consolidated financial statements or to the combined and consolidated 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 combined and consolidated 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 August 30, 2021, on our consideration of the Organizations' 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 the Organizations' internal control over financial reporting and compliance.

*Atchley & Associates, LLP*  
Austin, Texas  
August 30, 2021

THE SAFE ALLIANCE  
COMBINED AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
MARCH 31, 2021

	The SAFE Alliance	SAFE Alliance Foundation	SAFE Alliance Facilities Holdings	Grove Place Partners GP, Inc.	Total
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 4,236,366	\$ -	\$ -	\$ 494,559	\$ 4,730,925
Investments	1,518,608	-	-	-	1,518,608
Receivables					
Grants	1,497,004	-	-	-	1,497,004
Contracts, net	343,259	-	-	-	343,259
Pledges receivable - operating	64,464	-	-	-	64,464
Other receivables	121,776	-	-	58,103	179,879
Prepaid expenses	83,177	-	-	52,367	135,544
Current portion of pledge receivable with donor restrictions	195,402	-	-	-	195,402
Total current assets	8,060,056	-	-	605,029	8,665,085
Pledges receivable with donor restrictions	4,321,379	-	-	-	4,321,379
Tenant deposits - restricted cash	-	-	-	46,882	46,882
Escrow deposits	-	-	-	42,730	42,730
Reserves for replacements	-	-	-	378,727	378,727
Investments	1,121,906	6,512,431	-	-	7,634,337
Property and equipment, net	618,868	-	14,274,255	8,619,267	23,512,390
Total assets	\$ 14,122,209	\$ 6,512,431	\$ 14,274,255	\$ 9,692,635	\$ 44,601,530

The accompanying notes are an integral part of these combined and consolidated financial statements.

THE SAFE ALLIANCE  
 COMBINED AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION - CONTINUED  
 MARCH 31, 2021

	The SAFE Alliance	SAFE Alliance Foundation	SAFE Alliance Facilities Holdings	Grove Place Partners GP, Inc.	Total
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current liabilities</b>					
Accounts payable	\$ 337,864	\$ -	\$ -	\$ 3,875	\$ 341,739
Accrued salaries	153,310	-	-	-	153,310
Accrued paid time off	611,571	-	-	-	611,571
Other accrued expenses	572,063	-	-	47,949	620,012
Deferred revenue	110,744	-	-	-	110,744
Tenant deposits held in trust	-	-	-	46,882	46,882
Current portion of notes payable	1,914,200	-	-	152,925	2,067,125
Total current liabilities	3,699,752	-	-	251,631	3,951,383
<b>Long-term obligations</b>					
Deferred lease expense	91,814	-	-	-	91,814
Long-term portion of notes payable	-	-	1,000,000	5,638,161	6,638,161
Total liabilities	3,791,566	-	1,000,000	5,889,792	10,681,358
<b>Net assets without donor restrictions</b>					
Undesignated	3,336,460	3,094,909	-	3,802,843	10,234,212
Board designated	-	-	-	-	-
DFPS cash reserve	500,000	-	-	-	500,000
Property and equipment	1,707,549	-	13,274,255	-	14,981,804
	5,544,009	3,094,909	13,274,255	3,802,843	25,716,016
<b>Net assets with donor restrictions</b>					
Time or purpose	4,786,634	1,466,983	-	-	6,253,617
Perpetual	-	1,950,539	-	-	1,950,539
Total net assets	10,330,643	6,512,431	13,274,255	3,802,843	33,920,172
Total liabilities and net assets	\$ 14,122,209	\$ 6,512,431	\$ 14,274,255	\$ 9,692,635	\$ 44,601,530

The accompanying notes are an integral part of these combined and consolidated financial statements.

THE SAFE ALLIANCE  
 COMBINED AND CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
 YEAR ENDED MARCH 31, 2021

	The SAFE Alliance	SAFE Alliance Foundation	SAFE Alliance			Total
			Facilities Holdings	Grove Place Partners GP, Inc.		
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>						
Public support and revenue:						
Grants and contracts						
Federal and State agencies	\$ 9,530,863	\$ -	\$ -	\$ -	\$ -	\$ 9,530,863
Local agencies	1,870,398	-	-	-	-	1,870,398
Service reimbursement contracts	2,525,745	-	-	-	-	2,525,745
Contributions and public support	7,576,114	-	-	-	-	7,576,114
Special fundraising events	1,157,867	-	-	-	-	1,157,867
In-kind support	836,024	-	25,000	-	-	861,024
Revenue from rentals (net of vacancies)	-	-	-	2,393,674	-	2,393,674
Revenue from services	232,653	-	-	-	-	232,653
Proceeds from endowment from related entity	7,200	-	-	-	-	7,200
Investment return, net	49,998	741,761	-	667	-	792,426
Other	50,831	-	-	3,100,618	-	3,151,449
Total public support and revenue without donor restrictions	23,837,693	741,761	25,000	5,494,959	-	30,099,413
Transfer from Foundation to SAFE	239,954	(239,954)	-	-	-	-
Transfer from Grove Place to SAFE	230,447	-	-	(230,447)	-	-
Transfer from SAFE to Facilities Holdings	(43,849)	-	43,849	-	-	-
Net assets released from restrictions	664,641	125,920	-	-	-	790,561
Total public support, revenue without donor restrictions and net assets released from restrictions	24,928,886	627,727	68,849	5,264,512	-	30,889,974
Expenses						
Program services						
Client services	19,616,294	-	683,107	-	-	20,299,401
Community programs	1,164,977	-	12,724	1,990,847	-	3,168,548
Total program expenses	20,781,271	-	695,831	1,990,847	-	23,467,949

The accompanying notes are an integral part of these combined and consolidated financial statements.



THE SAFE ALLIANCE  
 COMBINED AND CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - CONTINUED  
 YEAR ENDED MARCH 31, 2021

	The SAFE Alliance	SAFE Alliance Foundation	SAFE Alliance Facilities Holdings	Grove Place Partners GP, Inc.	Total
Supporting services					
Management and general	\$ 2,479,699	\$ -	\$ 36,097	\$ -	\$ 2,515,796
Fundraising	1,020,429	-	2,442	-	1,022,871
Special events	230,923	-	-	-	230,923
Total supporting services	3,731,051	-	38,539	-	3,769,590
Total expenses	24,512,322	-	734,370	1,990,847	27,237,539
Net change in net assets without donor restrictions	416,564	627,727	(665,521)	3,273,665	3,652,435
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>					
Public support and revenue:					
Contributions and public support	245,761	-	-	-	245,761
Investment return, net	-	819,081	-	-	819,081
Total public support and revenue with donor restrictions	245,761	819,081	-	-	1,064,842
Net assets released from restrictions	(664,641)	(125,920)	-	-	(790,561)
Net change in net assets with donor restrictions	(418,880)	693,161	-	-	274,281
Net change in net assets	(2,316)	1,320,888	(665,521)	3,273,665	3,926,716
Net assets at beginning of year	10,332,959	5,191,543	13,939,776	529,178	29,993,456
Net assets at end of year	\$ 10,330,643	\$ 6,512,431	\$ 13,274,255	\$ 3,802,843	\$ 33,920,172

The accompanying notes are an integral part of these combined and consolidated financial statements.

THE SAFE ALLIANCE  
 COMBINED AND CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
 YEAR ENDED MARCH 31, 2021

	Program Services			Supporting Services			Total
	Client Services	Community Programs	Total Program Services	Management and General	Fundraising	Special Events	
Salaries and benefits	\$ 14,300,221	\$ 1,367,823	\$ 15,668,044	\$ 1,949,494	\$ 676,682	\$ -	\$ 2,626,176
Professional fees and contracts	236,096	31,770	267,866	276,933	25,642	-	302,575
Subcontracts with partner agencies	631,427	-	631,427	-	-	-	-
Direct client assistance	2,557,414	-	2,557,414	-	-	-	-
Supplies and expenses	311,102	2,103	313,205	23,364	1,510	230,923	255,797
Printing and publications	7,995	69,640	77,635	55	164,612	-	164,667
Facility costs	1,050,888	349,523	1,400,411	143,673	47,120	-	190,793
Communications	83,314	4,475	87,789	12,807	9,443	-	22,250
Equipment rental and maintenance	35,679	156,379	192,058	6,048	1,083	-	7,131
Travel, training and conferences	150,500	4,161	154,661	14,132	649	-	14,781
Subscriptions and dues	34,064	3,378	37,442	3,459	4,126	-	7,585
Small equipment purchases	30,140	723	30,863	11,044	296	-	11,340
Mortgage interest	-	-	-	226,209	-	-	226,209
Other expense	30,978	489,574	520,552	9,225	78,371	-	87,596
Total expenses before depreciation	19,459,818	2,479,549	21,939,367	2,676,443	1,009,534	230,923	3,916,900
Depreciation	839,583	462,790	1,302,373	65,562	13,337	-	78,899
Total expenses	\$ 20,299,401	\$ 2,942,339	\$ 23,241,740	\$ 2,742,005	\$ 1,022,871	\$ 230,923	\$ 3,995,799
							\$ 27,237,539

The accompanying notes are an integral part of these combined and consolidated financial statements.

THE SAFE ALLIANCE  
COMBINED AND CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED MARCH 31, 2021

	The SAFE Alliance	SAFE Alliance Foundation	SAFE Alliance Facilities Holdings	SAFE Alliance Partners GP, Inc.	Total
<b>OPERATING ACTIVITIES</b>					
Increase (decrease) in net assets	\$ (2,316)	\$ 1,320,888	\$ (665,521)	\$ 3,273,665	\$ 3,926,716
Adjustments to reconcile change in net assets to net cash flows from operating activities					
Depreciation	206,248	-	734,370	440,654	1,381,272
Amortization of debt issuance costs	-	-	-	8,212	8,212
Donated note principal payments	-	-	(25,000)	-	(25,000)
Donated lease expense	169,425	-	-	-	169,425
Unrealized (gain) loss on investments	-	(819,082)	-	-	(819,082)
Realized (gain) loss on investments	-	(741,760)	-	-	(741,760)
Gain on purchase of Grove Place Ltd.	-	-	-	-	-
Changes in operating assets and liabilities - Receivables				(2,849,087)	(2,849,087)
Grants	(235,600)	-	-	-	(235,600)
Contracts	8,863	-	-	-	8,863
Pledges	133,996	-	-	-	133,996
Other	(15,892)	-	-	(62,897)	(78,789)
Prepaid expenses and deferrals	86,845	-	-	3,819	90,664
Pledges with donor restrictions	82,681	-	-	-	82,681
Accounts payable	48,244	-	-	2,825	51,069
Accrued salaries	(6,518)	-	-	-	(6,518)
Accrued paid time off	81,996	-	-	-	81,996
Other accrued expenses	162,122	-	-	(4,695)	157,427
Deposits held as liabilities	-	-	-	(5,150)	(5,150)
Deferred revenue	110,745	-	-	-	110,745
Net cash flows from operating activities	830,839	(239,954)	43,849	807,346	1,442,080

The accompanying notes are an integral part of these combined and consolidated financial statements.

THE SAFE ALLIANCE  
 COMBINED AND CONSOLIDATED STATEMENT OF CASH FLOWS - CONTINUED  
 YEAR ENDED MARCH 31, 2021

	The SAFE Alliance	SAFE Alliance Foundation	SAFE Alliance Facilities Holdings	Grove Place Partners GP, Inc.	Total
<b>INVESTING ACTIVITIES</b>					
Sale (purchase) of investments, net	\$ (209,526)	\$ 239,954	\$ -	\$ -	30,428
Reserve of cash for capital needs	197,416	-	-	(59,301)	138,115
Purchase of property and equipment	(138,822)	-	(43,849)	(182,265)	(364,936)
Net cash flows from investing activities	(150,932)	239,954	(43,849)	(241,566)	(196,393)
<b>FINANCING ACTIVITIES</b>					
Mortgage payable	-	-	-	(185,073)	(185,073)
Distributions to partners (net)	-	-	-	(465,361)	(465,361)
Paycheck Protection forgivable loan (net)	1,914,200	-	-	-	1,914,200
Net cash flows from financing activities	1,914,200	-	-	(650,434)	1,263,766
Net change in cash and cash equivalents	2,594,107	-	-	(84,654)	2,509,453
Cash and cash equivalents - beginning of year	1,642,259	-	-	579,213	2,221,472
Cash and cash equivalents - end of year	\$ 4,236,366	\$ -	\$ -	\$ 494,559	\$ 4,730,925

The accompanying notes are an integral part of these combined and consolidated financial statements.

THE SAFE ALLIANCE  
NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2021

NOTE A - NATURE OF OPERATIONS

The SAFE Alliance

On January 1, 2017, The SAFE Services Alliance, Travis Count Domestic Violence & Sexual Assault Survival Center dba SafePlace, and Austin Children's Shelter (ACS) merged to form The SAFE Alliance (SAFE) and The SAFE Alliance Facilities Holdings (SAFE Facilities). SAFE assumed ownership of assets and liabilities of the three entities, excluding land, buildings, and related liabilities. SAFE Facilities assumed ownership of the land and building assets and related liabilities. IRS determination letters recognizing the name changes resulting from the merger were received in March 2017. The merger followed the formation of an alliance of the entities on May 29, 2012, where The SAFE Services Alliance dba The SAFE Alliance (SAFE) served as an umbrella or parent entity for SafePlace and Austin Children's Shelter to enhance and improve services provided to victims/survivors.

The SAFE Alliance and SAFE Alliance Foundation

SAFE is a private nonprofit corporation providing services that include emergency shelter and supportive services for victims of domestic, sexual and child abuse, supportive housing for eligible families and youth, adult and children's counseling, children's activities, education and preschool programs, and legal services as well as community education, prevention services, school-based education and counseling, disability-related education and counseling, and community advocacy in the Austin and Travis County, Texas area.

Funding for SAFE is provided primarily by grants received from federal, state, and local governments of approximately \$11,401,000 in the year ended March 31, 2021, by contracts with state agencies to provide services to clients on a fee-for-service basis of approximately \$2,526,000 in the year ended March 31, 2021, and contributions from the general public of approximately \$8,734,000 in the year ended March 31, 2021.

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

The Foundation for SafePlace, Domestic Violence and Sexual Assault Survival Center (the Foundation) was incorporated December 13, 1991, for the purpose of receiving and maintaining a fund or funds of real or personal property, or both, for SafePlace. It is the goal of the Foundation to raise funds first, to establish an endowment for the benefit of SafePlace and second, to help pay operating expenses incurred by SafePlace. SafePlace is the sole corporate member of the Foundation.

On October 22, 2015, the Foundation changed its name to SAFE Alliance Foundation and the purpose of the Foundation is to support SAFE and related organizations. The Foundation had investment earnings, net of related expenses, of \$1,560,842 for the year ended March 31, 2021.

THE SAFE ALLIANCE  
NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2021

NOTE A - NATURE OF OPERATIONS - Continued

Grove Place Partners GP, Inc.

Effective April 2, 2020, Grove Place Partners LLC (GPP LLC) was formed as a disregarded entity for tax purposes, wholly owned by Grove Place Partners GP, Inc. (GPGP), which is a related entity to The SAFE Alliance. GPP LLC acquired the PNC limited partnership 99.99% interest in the Grove Place Partners, Ltd (GPP Ltd), an entity that runs a low income housing project, at a cost of \$252,396. The fair value of the interest purchased of GPP Ltd at the time of purchase was \$3,101,483, resulting in a gain of \$2,849,087. This acquisition increases the GPP LLC ownership in the apartment complex to 100%. During the 2021 fiscal year, SAFE will incorporate the audited financial statements of GPP Ltd and activity of GPP LLC and GPGP into their combined and consolidated financial statements.

The major activities of the GPP Ltd are governed by the partnership agreement and Internal Revenue Code Section 42 (Section 42). Each building of the project has qualified for and been allocated low-income housing tax credits pursuant to Section 42, which regulates the use of the project as to occupant eligibility and unit gross rent, among other requirements. Each building of the project must meet the provisions of these regulations during each of the 15 consecutive years in order to continue to qualify to receive the tax credits. Failure to comply with occupant eligibility and/or unit gross rent or to correct noncompliance within a specified time period could result in recapture of previously taken low-income housing tax credits plus interest. Such potential noncompliance may require an adjustment to the contributed capital by the investor limited partner. In addition, the partnership has executed an extended use regulatory agreement and declaration of restrictive covenants which requires the utilization of the project pursuant to Section 42 for a minimum of 15 years, even if GPP Ltd disposes of the project.

NOTE B - SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies of SAFE, the Foundation, SAFE Facilities and GPGP and its subsidiary, collectively referred to as the Organizations, applied in the preparation of the accompanying combined and consolidated financial statements follows:

Combined and Consolidated Financial Statements

The accompanying combined and consolidated financial statements include the financial statements of SAFE, the Foundation, SAFE Facilities and GPGP and its subsidiary. All significant intercompany transactions have been eliminated in the combined and consolidated financial statements.

Basis of Presentation

The combined and consolidated financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America (US GAAP). The financial information for GPGP is based on a 15 month period beginning on January 1, 2020 through March 31, 2021.

THE SAFE ALLIANCE  
NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2021

NOTE B - SUMMARY OF ACCOUNTING POLICIES - Continued

Financial Statement Presentation

Under Financial Accounting Standards Board Accounting Standards Codification (FASB ACS) 958, the Organizations are required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, based on the absence or existence of donor-imposed restrictions.

*Net assets without donor restrictions* - Net assets that are not subject to donor-imposed stipulations or the donor-imposed restrictions have expired or been satisfied.

*Net assets with donor restrictions* - Net assets that are subject to donor-imposed stipulations either for use during a specific time period or for a particular purpose.

Net Assets Released from Restrictions

When a donor-imposed restriction is fulfilled or when a time restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying combined and consolidated statements of activities and changes in net assets as net assets released from restrictions.

Cash and Cash Equivalents

Cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in the investment portfolio which are invested for long-term purposes. As of March 31, 2021, cash and cash equivalents were \$5,320,426. \$542,619 are reported as investments held for capital needs and long-term investment on the combined and consolidated statement of financial position, for the year ended March 31, 2021.

Accounts Receivable

SAFE considers grants receivable to be fully collectible. Accordingly, no allowance for doubtful accounts is required for grants receivable. An allowance has been recorded in these combined and consolidated financial statements for uncollectible fee-for-service reimbursement receivables based on the age of the receivable as recorded at the time the service was provided. An allowance has been recorded in these combined and consolidated financial statements for uncollectible pledges and other contributions receivable based on prior history with similar donors.

THE SAFE ALLIANCE  
NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2021

NOTE B - SUMMARY OF ACCOUNTING POLICIES - Continued

Fair Value Measurements

Investments include various types of securities in various companies within various markets that are considered available-for-safe securities and each is carried at fair value. Fair value is defined as 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. US GAAP establishes a fair value hierarchy which gives the highest priority to observable inputs such as quoted prices in active markets for identical assets or liabilities (Level 1), the next highest priority to inputs from observable data other than quoted prices (Level 2), and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. SAFE and Foundation investments are valued using Level 1 inputs.

Investments and Investment Return

Investments are recorded at fair value based on quoted prices in an active market. Realized and unrealized gains and losses on investments are reported in the combined and consolidated statement of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless restricted by the donor or by law.

Investment return consists of interest and dividends and is available to support any activities of the Organizations. Investment return is recognized as revenue without donor restrictions, unless otherwise specified by the donor.

Property and Equipment

The Organizations report land, buildings and equipment at historical cost if purchased, or at fair value if donated, less accumulated depreciation. Property and equipment purchased in excess of \$5,000 are capitalized. Repairs and maintenance costs are expensed as incurred while betterments and improvements are capitalized. Provision for depreciation is recognized using primarily the straight-line method over the estimated useful lives of the depreciable assets. Upon the sale or other retirement of depreciable property, the cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in the combined and consolidated statement of activities and changes in net assets.

Depreciation expense is calculated for property and equipment based on estimated useful lives as follows:

Buildings & Improvements	10 - 40 years
Furniture & Equipment	3 - 15 years
Vehicles	3 - 5 years



THE SAFE ALLIANCE  
NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2021

NOTE B - SUMMARY OF ACCOUNTING POLICIES - Continued

Impairment of Long-Lived Assets

The Organizations reviews its property for impairment whenever events of changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized during the year ended March 31, 2021.

Revenue Recognition

In accordance with the FASB ASC 958, *Not-for-Profit Entities*, contributions are recognized as support when they are received. The Organizations report gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. SAFE also receives reimbursement grants. These grants are not recorded until acceptable expenditures under the grant terms have been made and reimbursement can be requested.

Special event revenues are recognized when the event is held.

Unconditional promises to give are recognized as revenues or gains in the period received, and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Organizations consider all contributions (unconditional promises to give) to be contributions without donor restrictions unless the restriction is a donor-imposed stipulation specifying a use for the contribution that is more specific than the broad limits resulting from the nature and purpose of the Organizations and its continuing programs. Contributions without donor restrictions are recorded as an increase in net assets without donor restrictions available in the period in which the notice of the unconditional promise to give is received.

Contributions or grants which result in new and nonrecurring programs as well as contributions received as the result of a capital campaign for the acquisition or rehabilitation of property and equipment are considered contributions with donor restrictions.

Contributions or grants which contain a donor-imposed stipulation that the contributions cannot be used until a future period are recorded as time restricted contributions. Contributions, which are time restricted with respect to the expenditure of the funds, are recorded as increases in net assets with donor restrictions available in the period in which the notice of grant award is received. The fair value of contributions arising from unconditional promises to give cash or other assets in one or more future years is measured (discounted) using a risk-adjusted rate of return appropriate for the expected term of the promise to give. Such discounts are amortized between the date the promise to give is initially recognized and the date the actual cash is expected to be collected.

Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between Grove Place and the tenants of the property are operating leases.

THE SAFE ALLIANCE  
NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2021

NOTE B - SUMMARY OF ACCOUNTING POLICIES - Continued

Advertising

Advertising and direct mail costs are expensed as incurred. For the year ended March 31, 2021, advertising and direct mail expenses totaled \$242,302.

Debt Issuance Costs

Debt issuance costs, net of accumulated amortization, are report as a direct deduction from the face amount of the mortgage loan payable to which such cost relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using an imputed interest rate on the related loan.

Income Taxes

SAFE, the Foundation, SAFE Facilities, and GPGP are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. None of the entities are classified as a private foundation. Therefore, no provision for income taxes is made in the accompanying combined and consolidated financial statements.

The Organizations have adopted FASB ASC 740, *Accounting for Uncertainty in Income Tax*. The benefit of a tax position is recognized in the combined and consolidated financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the positions will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely of being realized upon settlement with the applicable taxing authority. As of March 31, 2021, the Organizations have not recognized liabilities for uncertain tax positions or associated interest and penalties.

GPP Ltd has elected to be treated as a pass-through entity for income tax purposes and, as such, is not subject to income taxes. Rather, all items of taxable income, deductions, and tax credits as passed through to and reported by its owners on their respective income tax returns. GPP Ltd's federal tax status as a pass-through entity is based on its legal status as a partnership. Accordingly, GPP Ltd is not required to take any tax positions in order to qualify as a pass-through entity. GPP Ltd is required to file and does file tax returns with the IRS and other taxing authorities. Accordingly, these combined and consolidated financial statements do not reflect a provision for income taxes and GPP Ltd has no other tax positions which must be considered for disclosure.

The Organizations' individual federal organization returns for the years March 31, 2018, and thereafter, are subject to examination by the Internal Revenue Services, generally for three years after they are filed.

THE SAFE ALLIANCE  
NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2021

NOTE B - SUMMARY OF ACCOUNTING POLICIES - Continued

In-kind Contributions

The Organizations receive various types of in-kind contributions in the course of daily operations, including professional services, supplies and materials. Contributed professional services are recognized as in-kind contributions if the services received create or enhance long-lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by the contributions. Contributions of tangible assets are capitalized at fair value when received.

Functional Expenses

Directly identifiable expenses are classified as program and supporting services. Expenses related to more than one function are allocated to program and supporting services on the basis of management estimates. Supporting services include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organizations. The expenses that are allocated include the following unless the expense can be tied directly to a specific program or supporting service:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Supplies and expenses	Full-time equivalent
Facility costs	Square footage
Communications	Full-time equivalent
Depreciation	Square footage

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management of the Organizations has evaluated subsequent events for disclosure through the date of the Independent Auditors' Report, the date the combined and consolidated financial statements were available to be issued. See Note T.

THE SAFE ALLIANCE  
NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2021

NOTE C - FUNDING FOR FAMILY SHELTER

Prior to the merger, SafePlace entered into an agreement with the City of Austin (the City) to provide partial funding for the construction of a family shelter. Under the terms of the agreement, the City agreed to lease from SafePlace a seven-acre tract of land (the site for the new family shelter) for 99 years in return for the advance rental payment. SafePlace then executed an agreement to sublease the seven-acre tract of land back from the City for a period of 99 years in exchange for SafePlace's construction and operation of a family shelter on the seven-acre tract. This agreement transferred to SAFE as a result of the merger.

NOTE D - PROMISES TO GIVE

SAFE has received pledges, or promises to give, of donations related to its operations. Promises to be received after March 31, 2021, are discounted at 2% per year.

Unconditional promises to give at March 31, 2021:

	SAFE
Operations	\$ 78,286
Capital campaign	-
With donor restrictions	4,524,829
Unconditional promises to give	\$ 4,603,115
	SAFE
Amounts due in:	
Less than one year	\$ 273,688
One to five years	841,918
More than five years	3,487,509
Total unconditional promises to give	4,603,115
Less discount to net present value	(3,220)
Less allowance for uncollectible pledges	(18,650)
Net unconditional promises to give	\$ 4,581,245

Unconditional promises to give are presented on the combined and consolidated statement of financial positions as follows:

	SAFE
Current asset	
Pledges receivable - operating, net	\$ 64,464
Current portion of pledge with donor restrictions	195,402
Long-term asset	
Pledges receivable with donor restrictions, net	4,321,379
	\$ 4,581,245

THE SAFE ALLIANCE  
NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2021

NOTE E - RESTRICTED DEPOSITS AND FUNDED RESERVES

Replacement reserve - Pursuant to the partnership agreement upon reaching 100% unit occupancy GPP Ltd is required to make monthly deposits equal to \$16.67 per unit into an interest-bearing replacement reserve account. The required monthly deposit amount is to increase 3.00% annually. GPP Ltd is also required by HUD to deposit an additional \$8.33 per month into the replacement reserve, for a total of \$300 per month. The replacement reserve is held for working capital needs, improvements and any other contingencies of GPP Ltd. All deposits in the account are to be pledged as additional security for the project mortgage. Activity in the replacement reserve account for the period ended March 31, 2021, is as follows:

Balance, January 1, 2020	\$ 283,326
Deposits	138,719
Interest earnings	306
Withdrawals	<u>(43,624)</u>
Balance, March 31, 2021	<u><u>\$ 378,727</u></u>

NOTE F - INVESTMENTS

The following table sets forth by level, within the fair value hierarchy, SAFE's assets at fair value as of March 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Equity securities	\$ 558	\$ -	\$ -	558
Corporate debt	770,183	-	-	770,183
Cash	542,619	-	-	542,619
Money market funds	<u>1,327,154</u>	<u>-</u>	<u>-</u>	<u>1,327,154</u>
	<u><u>\$ 2,640,514</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,640,514</u></u>

The following table sets forth by level, within the fair value hierarchy, Foundation's assets at fair value as of March 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Equity securities	\$ 3,852,877	\$ -	\$ -	\$ 3,852,877
U.S. Treasury	218,224	-	-	218,224
Corporate debt	1,240,115	-	-	1,240,115
Non-U.S. securities	1,010,688	-	-	1,010,688
Cash and money market funds	<u>190,527</u>	<u>-</u>	<u>-</u>	<u>190,527</u>
	<u><u>\$ 6,512,431</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,512,431</u></u>

THE SAFE ALLIANCE  
NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2021

NOTE F - INVESTMENTS - Continued

Investment return is summarized as follows:

	<u>SAFE</u>	<u>Foundation</u>	<u>GPGP</u>
Interest and dividend income	\$ 49,998	\$ 110,384	\$ 667
Capital gains/(loss)	-	5,109	-
Unrealized gain/(loss) on investments	-	1,445,349	-
Total investment income	<u>\$ 49,998</u>	<u>\$ 1,560,842</u>	<u>\$ 667</u>

NOTE G - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

SAFE

Furniture, fixtures and equipment	\$ 2,410,418
Vehicles	300,496
	<u>2,710,914</u>
Accumulated depreciation	(2,092,046)
	<u>\$ 618,868</u>

Depreciation expense for SAFE totaled \$206,248 for the year ended March 31, 2021.

SAFE Facilities Holdings

Land	\$ 2,851,468
Buildings and improvements	22,852,331
	<u>25,703,799</u>
Accumulated depreciation	(11,429,544)
	<u>\$ 14,274,255</u>

Depreciation expense for SAFE Facilities Holdings totaled \$734,370 for the year ended March 31, 2021.

Grove Place Partners GP, Inc.

Land	\$ 1,216,166
Land improvements	894,257
Buildings	11,545,643
Furniture for project/tenant use	551,102
	<u>14,207,168</u>
Accumulated depreciation	(5,587,901)
	<u>\$ 8,619,267</u>

Depreciation expense for GPP Ltd totaled \$440,654 for the year ended March 31, 2021.

THE SAFE ALLIANCE  
NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2021

NOTE H - NOTE PAYABLE

SAFE note payable as of March 31, 2021, are as follows:

U.S. Small Business Administration - Executed April 17, 2020, under Section 1102 of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") Paycheck Protection Program; SAFE received a loan of \$2,914,200 and on May 14, 2020 repaid \$1,000,000 and accrued interest of \$1,916 at the rate of 1% per year. The remaining balance is forgivable providing the funds are used for eligible purposes. Management believes that funds were used for eligible purposes and on February 9, 2021 submitted an application for forgiveness and additional requested information on March 2, 2021. Should forgiveness not be granted, payment of the unforgiven portion and accrued interest at the rate of 1% per year is due on April 17, 2022. See Note T.

\$ 1,914,200

Current portion of notes payable

\$ 1,914,200

SAFE Facilities Holdings note payable as of March 31, 2021, are as follows:

SAFE Facilities Holdings, as a result of the merger effective January 1, 2017, assumed the agreement ACS entered into with the Austin Housing and Finance Corporation in June 2008 in the amount of \$1,000,000. The note has a maturity date of July 1, 2107, with an annual interest rate of 0% and an annual interest rate on matured, unpaid amounts of 0%. The agreement states that, provided the borrower has not violated any of the terms and conditions of the loan agreement, the outstanding principal balance of the note will be forgiven and paid in full on the maturity date. The total drawn on the note as of March 31, 2021, was \$1,000,000.

GPP Ltd note payable as of March 31, 2021, are as follows:

On July 11, 2012, GPP Ltd obtained a HUD-insured loan in the amount of \$7,110,000. The loan bears interest rate of 2.88% and is secured by a credit instrument and a security instrument covering the real property and buildings on the property. Monthly principal and interest payments in the amount of \$26,889 will be made until maturity on August 1, 2047.

\$ 5,963,530

Less current portion of notes payable

(152,925)

Long-term portion of notes payable

5,810,605

Unamortized debt issuance costs

(172,444)

Note payable, net of unamortized debt issuance costs

\$ 5,638,161

THE SAFE ALLIANCE  
NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2021

NOTE H - NOTE PAYABLE - Continued

Future maturities of notes payable as of March 31, 2021, are as follows:

2022		\$ 2,067,125
2023		157,388
2024		161,981
2025		166,709
2026		171,574
Thereafter		<u>5,152,953</u>
 Total		 <u><u>\$ 7,877,730</u></u>

NOTE I - NET ASSETS WITH DONOR RESTRICTIONS

At March 31, 2021, the total amount of net assets with donor restrictions for time restricted gifts for future program expenditures was \$4,786,634 for SAFE; Foundation net assets with donor restrictions for future program expenditures was \$1,466,983 and \$1,950,539 that are being held in perpetuity.

NOTE J - RELEASE OF DONOR RESTRICTIONS

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes, by occurrence of events specified by the donors, by the passage of time, or by the change of restrictions specified by the donors. Net assets released during the year ended March 31, 2021, are as follows:

	SAFE	Foundation
Gifts for 2021 program expenditures	\$ 664,641	\$ -
Program restrictions met	-	125,920
	<u>\$ 664,641</u>	<u>\$ 125,920</u>

NOTE K - ENDOWMENT FUNDS

The Foundation's endowment consists of donor-restricted funds, which are restricted for the purpose of furthering the Foundation's mission. As required by generally accepted accounting principles, net assets associated with endowment funds, which may include funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.



THE SAFE ALLIANCE  
 NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS  
 March 31, 2021

NOTE K - ENDOWMENT FUNDS - Continued

Interpretation of Relevant Law

The investment management of the assets of the Foundation is subject to the standards of conduct set out in the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA). As a result, the Foundation classifies as net assets with donor restrictions (1) the original value of gifts donated to the donor-restricted endowment, (2) the original value of subsequent gifts to the donor-restricted endowment, (3) and accumulations to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time of accumulation is added to the fund. The Foundation classifies the amounts of income, realized or unrealized gains and losses in excess of expenses as net assets with donor restrictions. Net losses or expenses are charged to net assets with donor restrictions and all excess remains in net assets with donor restrictions until appropriated for expenditure in accordance with donor restrictions. The Board of Directors has interpreted TUPMIFA as requiring the Board to take into consideration the following factors in determining the appropriate investment policies and to provide a predictable stream of funding to the supported programs:

- 1) The duration and preservation of the fund;
- 2) The purposes of the organization and the donor-restricted endowment fund;
- 3) The general economic conditions;
- 4) The possible effect of inflation or deflation;
- 5) The expected total return from income and the appreciation of investments;
- 6) Other resources of the organization;
- 7) The investment policies of the organization.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to protect the corpus of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to result in high yields while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately four percent annually. Actual results in any given year may vary from this amount.

Endowment net asset composition as of March 31, 2021, follows:

	Without Donor	With Donor Restrictions		Total
	Restrictions	Time or purpose	In Perpetuity	
Endowment funds	<u>\$ 3,094,909</u>	<u>\$ 1,466,983</u>	<u>\$ 1,950,539</u>	<u>\$ 6,512,431</u>

THE SAFE ALLIANCE  
NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2021

NOTE K - ENDOWMENT FUNDS - Continued

Changes in endowment net assets for the year ended March 31, 2021, follows:

	Without Donor Restrictions	With Donor Restrictions		Total
		Time or purpose	In Perpetuity	
Endowment net assets, beginning of year	\$ 2,467,182	\$ 773,822	\$ 1,950,539	\$ 5,191,543
Investment income, net	741,761	819,081	-	1,560,842
Contributions	-	-	-	-
Assets released from restrictions	125,920	(125,920)	-	-
Distributions	(239,954)	-	-	(239,954)
Net assets, end of year	\$ 3,094,909	\$ 1,466,983	\$ 1,950,539	\$ 6,512,431

NOTE L - SUPPORTING SERVICES

SAFE held various special fundraising events during the year ended March 31, 2021. The revenue and expenses related to these special events are reflected in these combined and consolidated financial statements as follows:

	Revenue	Direct Costs	Net
<u>SAFE</u>			
Gala	\$ 644,349	\$ 165,089	\$ 479,260
Touch-A-Truck	50,152	5,159	44,993
Fore the Children	176,860	50,699	126,161
SAFE Together	69,797	4,829	64,968
3rd Party Hosted Events	216,709	5,147	211,562
Totals	\$ 1,157,867	\$ 230,923	\$ 926,944

NOTE M - IN-KIND DONATIONS

SAFE recorded contribution income resulting from the following donations received during the periods:

Long-term obligations

SAFE Facilities received donations of forgiveness of current debt service requirements. On the loan associated with the Supportive Housing program, the principal forgiven totaled \$25,000 in the year ended March 31, 2021.

Donated Items Utilized as Direct Assistance to Clients

SAFE utilized donations of clothing, furniture, and other household items as direct assistance to clients. Items valued at \$555,554 in the year ended March 31, 2021, and Goodwill vouchers valued at \$23,000 in the year ended March 31, 2021, were received and distributed to clients.

THE SAFE ALLIANCE  
NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2021

NOTE M - IN-KIND DONATIONS - Continued

SAFE received and utilized professional services for its programs during the year. SAFE would have paid for these services if they were not donated.

<u>Salaries</u>	<u>Hours</u>	<u>Fair Value</u>
Children's Services	671	\$ 18,255
Children/Youth Housing Support	57	1,550
Emergency Services	4,743	128,996
Counseling Interns	1,380	37,543
In-Kind Program Management	8	218
Outreach Services - Legal Advocacy	102	2,781
Fundraising/Special Events	26	700
Community/Client Education	457	12,417
Facility/grounds maintenance	882	24,000
Services contributed to clients	1,140	31,010
Total Contributed Services	9,466	\$ 257,470

In addition, other hours, for which no value has been assigned, were volunteered by individuals for the following:

Volunteer Training/Newsletter	244
Administrative	655
Total Volunteered Hours	899

In accordance with FASB ASC 958, *Not-for-Profit Entities - Revenue Recognition - Contributed Services*, the value of these donated services is not recorded in the accompanying combined and consolidated financial statements.

NOTE N - RETIREMENT CONTRIBUTION

On January 1, 2017, SAFE merged their 403(b) plan into a multi-employer 403(b) plan sponsored by One Voice Central Texas (OVCT). Participation in the OVCT Plan continues to be voluntary and matching contributions continue to be discretionary. The plan allows for contributions through payroll deductions and individual employee contributions vary. The cost of employer contributions to the plan was \$301,968 for the year ended March 31, 2021. No significant changes occurred in the plan components in 2021.

NOTE O - COMMITMENTS AND CONTINGENCIES

Grants and Contracts

SAFE is funded by grants and contracts that are subject to review and audit by the grantor agencies. These grants and contracts have certain compliance requirements and, should audits by the grantor agencies disclose any areas of substantial noncompliance, SAFE may be required to refund any disallowed costs. Management does not know of any noncompliance which would require refunds.

THE SAFE ALLIANCE  
NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2021

NOTE O - COMMITMENTS AND CONTINGENCIES - Continued

Partnership

As a general partner in a partnership, SAFE may be subject to other liabilities, should the partnership's assets become insufficient to meet obligations.

Other

In prior years, the Board of Directors approved the creation of an endowment fund to be maintained by the Foundation. Various restrictions are placed upon the use of these funds and the related earnings. However, it is the desire of the Board that, in the event of an emergency threatening the existence of SAFE or any of its vital services, all or any part of the funds may be distributed to SAFE to relieve the emergency. These funds are reflected as funds without donor restrictions in the Foundation's endowment fund.

NOTE P - CONCENTRATION OF RISK

SAFE maintains cash deposits in financial institutions. These cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Investments are insured by the Securities Investor Protection Corporation (SIPC) up to \$250,000 at March 31, 2021. At March 31, 2021, SAFE had cash equivalents and investments of \$5,948,730 that exceeded FDIC and SIPC coverage. SAFE reviews the financial positions of the financial institutions on a regular basis and believes any credit risk is mitigated because the financial institutions are well collateralized.

Cash used for expenditures under the U.S. Department of Housing and Urban Development Grant is maintained in a separate account as required by the terms of the grant.

NOTE Q - SAFE (THE AUSTIN CHILDREN'S SHELTER) ENDOWMENT FUND

Under an agreement dated December 21, 2004, The Austin Community Foundation for the Capital Area (ACF) holds funds in The Austin Children's Shelter Endowment Fund (the Fund). The purpose of the Fund is to provide a stable and ongoing means of generating operating revenue which will be used to support the educational and charitable mission of the Shelter. The Fund has an Advisory Committee, appointed by ACS's Board of Directors, that advises ACF on grants from the Fund. Distributions of up to five percent of the value of the Fund may be made annually unless written advice of the Advisory Committee provides otherwise. The agreement conferred to SAFE as a result of the merger and ACF updated the name of the funds held.

Because ACF has variance powers to determine the ultimate disposition of the funds, the funds held by ACF are not recorded on the books of ACS or considered ACS assets. Distributions were made from the Fund to SAFE during the year ended March 31, 2021, for \$7,200. The fair value of the investments in the Fund is \$202,016 at March 31, 2021.

THE SAFE ALLIANCE  
NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2021

NOTE R - DONATED FACILITIES

SAFE receives the use of donated facilities. The original donation was recorded as contributions with donor restrictions when received and will be released from restriction on a monthly basis as the facility is occupied. The donated facilities lease began on November 1, 2016 and expires on October 31, 2046. The lease requires SAFE to pay its share of operating costs which are recorded as facility costs on the combined statement of functional expenses.

NOTE S - AVAILABLE RESOURCES AND LIQUIDITY

The following represents the Organizations' current financial assets at March 31, 2021:

Current financial assets at year-end	
Cash and equivalents	\$ 4,730,925
Current investments	1,518,608
Grants receivables	1,497,004
Contracts receivables, net	343,259
Pledges receivable - operating	64,464
Other receivables	179,879
Current portion of pledge receivable with donor restrictions	<u>195,402</u>
 Total current financial assets at year-end	 8,529,541
 Less assets with donor restrictions	 <u>(361,667)</u>
 Financial assets available to meet cash needs for general expenditures over the next twelve months	 <u><u>\$ 8,167,874</u></u>

In addition to financial assets available to meet general expenditures over the next twelve months, SAFE operates within a budget and anticipates only incurring expenses if adequate funds are available to pay for them. SAFE regularly monitors liquidity required to meet their operating needs and other contractual commitments.

NOTE T - SUBSEQUENT EVENT

The emergence of the Covid-19 coronavirus pandemic in early 2020 led to significant volatility and declines in the global markets. As of the date of this report, it is uncertain how long volatility related to Covid-19 will continue, and to what extent it may impact the operation of the Organizations. The SAFE Alliance was granted funds under the Paycheck Protection Program in the amount of \$2,914,200 in April 2020 to cover certain costs as outlined by the Program. In May 2020, \$1,000,000 of this loan was repaid leaving a balance of \$1,914,200. Effective June 10, 2021, the full amount of the original \$2,914,200 loan was forgiven by the SBA. On August 3, 2021, SAFE received a \$1,001,916 refund from their earlier repayment and additional accrued interest.

SUPPLEMENTAL INFORMATION



**INDEPENDENT AUDITORS' 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 of  
The SAFE Alliance  
Austin, Texas

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 combined and consolidated financial statements of The SAFE Alliance (SAFE), which comprise the combined and consolidated statements of financial position as of March 31, 2021, and the related combined and consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the combined and consolidated financial statements, and have issued our report thereon dated August 30, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the combined and consolidated financial statements, we considered SAFE's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the combined and consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of SAFE's internal control. Accordingly, we do not express an opinion on the effectiveness of SAFE'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 SAFE's combined and consolidated financial statements are free of 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 matter that is 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Atchley & Associates, LLP*

Austin, Texas

August 30, 2021





**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL AND STATE PROGRAM; REPORT ON INTERNAL  
CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULES OF  
EXPENDITURES OF FEDERAL AND STATE AWARDS REQUIRED  
BY THE UNIFORM GUIDANCE AND  
THE STATE OF TEXAS SINGLE AUDIT CIRCULAR**

To the Board of Directors of  
The SAFE Alliance  
Austin, Texas

**Report on Compliance for Each Major Federal and State Program**

We have audited The SAFE Alliance's (SAFE) compliance with the types of compliance requirements described in the *Office of Management and Budget (OMB) Compliance Supplement* and in the *State of Texas Single Audit Circular* that could have a direct and material effect on each of SAFE's major federal and state programs for the year ended March 31, 2021. SAFE's major federal and state programs are identified in the summary of auditors' 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 and state programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the compliance for each of SAFE's major federal and state 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 are contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); the State of Texas Uniform Grant Management Standards (UGMS) issued by the Governor's Office of Budget and Planning; and the *State of Texas Single Audit Circular*. Those standards and Uniform Guidance and the *State of Texas Single Audit Circular*, 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 or state program occurred. An audit includes examining, on a test basis, evidence about SAFE'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 on SAFE's compliance with those requirements.

## Opinion on Each Major Federal and State Program

In our opinion, SAFE 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 and state programs for the year ended March 31, 2021.

## Report on Internal Control Over Compliance

Management of SAFE 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 SAFE's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance and *the State of Texas Single Audit Circular*, 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 SAFE'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 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.

## Purpose of this Report

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 Uniform Guidance and *the State of Texas Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

*Atchley & Associates, LLP*

Austin, Texas

August 30, 2021

THE SAFE ALLIANCE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED MARCH 31, 2021

Federal Grantor/Pass-through Agency/Program Title	Federal CFDA Number	Contract Number	Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
Direct Program -			
Continuum of Care Program	14.267	TX0039L6J031912	\$ 158,013
Continuum of Care Program	14.267	TX0039L6J031912	125,358
Continuum of Care Program	14.267	TX0039L6J031912	21,135
Continuum of Care Program	14.267	TX0039L6J031811	179,850
Continuum of Care Program	14.267	TX0039L6J031811	83,544
Continuum of Care Program	14.267	TX0039L6J031811	19,536
Continuum of Care Program	14.267	TX0514D6J031800	341,275
Continuum of Care Program	14.267	TX0514D6J031800	176,647
Continuum of Care Program	14.267	TX0514D6J031901	186,119
Continuum of Care Program	14.267	TX0514D6J031901	64,704
Passed Through The Salvation Army:			
Continuum of Care Program - Passages II	14.267	TX0401L6J031904	26,816
Continuum of Care Program - Passages II	14.267	TX0401L6J031803	21,314
<i>SubTotal CFDA</i>	<i>14.267</i>		<u>1,404,311</u>
Passed Through Texas Department of Housing and Community Affairs			
Emergency Solutions Grant Program	14.231	42185030006	7,682
Emergency Solutions Grant Program	14.231	42185030006	80,629
Emergency Solutions Grant Program	14.231	42185030006	53,291
Emergency Solutions Grant Program	14.231	42205030006	50,131
Emergency Solutions Grant Program	14.231	42195030005	87,261
<i>SubTotal CFDA</i>	<i>14.231</i>		<u>278,994</u>
Pass-through Program from:			
LifeWorks			
Youth Homelessness Demonstration Program RRH	14.276	TX0506Y6J031600	172,225
Youth Homelessness Demonstration Program RRH	14.276	TX0506Y6J031901	195,406
<i>SubTotal CFDA</i>	<i>14.276</i>		<u>367,631</u>
Total U.S. Department of Housing & Urban Development			<u>2,050,936</u>
<u>U.S. Department of Health &amp; Human Services</u>			
Direct Program -			
FVPSA - Safe and Nurturing Families	93.592	90EV045304	221,955
<i>SubTotal CFDA</i>	<i>93.592</i>		<u>221,955</u>
Pass-through Program from:			
Texas Health and Human Services Commission -			
		HHS000380000052 -	
Temporary Assistance for Needy Families Title XX	93.558	Amendment1	217,158
Temporary Assistance for Needy Families Title XX	93.558	HHS000380000052	147,579
<i>SubTotal CFDA</i>	<i>93.558</i>		<u>364,737</u>
		HHS000380000052 -	
Social Services Block Grant	93.667	Amendment1	23,027
Social Services Block Grant	93.667	HHS000380000052	15,646
<i>SubTotal CFDA</i>	<i>93.667</i>		<u>38,673</u>

THE SAFE ALLIANCE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED  
YEAR ENDED MARCH 31, 2021

Federal Grantor/Pass-through Agency/Program Title	Federal CFDA Number	Contract Number	Federal Expenditures
Family Violence Prevention Services	93.671	HHS000380000052	\$ 76,389
Family Violence Prevention Services	93.671	HHS000380000052 - CARES	57,582
Family Violence Prevention Services	93.671	HHS000380000052 - CARES Amendment 1	35,980
Family Violence Prevention Services	93.671	HHS000380000052 - Amendment1	112,388
Family Violence Prevention Services	93.671	HHS000679900013	58,636
Family Violence Prevention Services	93.671	HHS000679900013	54,808
<i>SubTotal CFDA</i>	<i>93.671</i>		<u>395,783</u>
Pass-through Program from:			
Texas Center for the Judiciary - Children's Justice Grants to States	93.643	CJA-21-09	39,001
Children's Justice Grants to States	93.643	CJA-19-07	45,104
<i>SubTotal CFDA</i>	<i>93.643</i>		<u>84,105</u>
Pass-through Program from:			
Texas Center for Child and Family Studies Stephanie Tubbs Jones Child Welfare Services Program	93.645	2001TXCWC3	12,000
<i>SubTotal CFDA</i>	<i>93.645</i>		<u>12,000</u>
Pass-through Program from:			
COA Austin Public Health Teenage Pregnancy Prevention Program/Adolescent Health Program	93.297	1 TP1AH000223-01-00	19,187
<i>SubTotal CFDA</i>	<i>93.297</i>		<u>19,187</u>
Pass-through Program from:			
Texas Council for Developmental Disabilities - Developmental Disabilities Basic Support and Advocacy	93.630	20477	65,392
Developmental Disabilities Basic Support and Advocacy	93.630	19377	52,897
Developmental Disabilities Basic Support and Advocacy	93.630	21140	2,976
<i>SubTotal CFDA</i>	<i>93.630</i>		<u>121,265</u>
Pass-through Program from:			
University of North Carolina at Chapel Hill Arthritis, Musculoskeletal and Skin Diseases Research	93.846	5109710	780
<i>SubTotal CFDA</i>	<i>93.846</i>		<u>780</u>
Total U.S. Department of Health & Human Services			<u>1,258,485</u>
<u>U.S. Department of Justice</u>			
Direct Program -			
Justice Systems Response to Families	16.021	2016-FJ-AX-0010	156,201
<i>SubTotal CFDA</i>	<i>16.021</i>		<u>156,201</u>
Transitional Housing Grant Program	16.736	2015-WH-AX-0006	161,717
<i>SubTotal CFDA</i>	<i>16.736</i>		<u>161,717</u>

THE SAFE ALLIANCE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED  
YEAR ENDED MARCH 31, 2021

Federal Grantor/Pass-through Agency/Program Title	Federal CFDA Number	Contract Number	Federal Expenditures
Crime Victim Assistance/Discretionary Grants	16.582	2020-V3-GX-0136	\$ 21,493
Crime Victim Assistance/Discretionary Grants	16.582	2019-V3-GX-K026	120,536
<i>SubTotal CFDA</i>	<i>16.582</i>		<u>142,029</u>
Consolidated Children & Youth Experiencing Domestic Violence	16.888	2019-CY-AX-0018	130,596
<i>SubTotal CFDA</i>	<i>16.888</i>		<u>130,596</u>
Outreach and Services to Underserved Populations	16.889	2017-UD-AX-0008	43,580
<i>SubTotal CFDA</i>	<i>16.889</i>		<u>43,580</u>
Pass-through Program From:			
American Gateways via Office of the Governor, Criminal Justice Division -			
Crime Victim Assistance (VOCA)	16.575	1511519	245,989
Pass-through Program From:			
Texas Council on Family Violence			
Crime Victim Assistance (VOCA)	16.575	2017-VA-GX-0006	27,821
Pass-through Program From:			
Office of the Governor, Criminal Justice Division -			
Crime Victim Assistance (VOCA) - Comprehensive Svcs	16.575	1400520	899,845
Crime Victim Assistance (VOCA) - Comprehensive Svcs	16.575	1400519	889,651
Crime Victim Assistance (VOCA) - Sexual Assault Svcs	16.575	3739301	105,056
Crime Victim Assistance (VOCA) - Drop In	16.575	3300602	326,600
Crime Victim Assistance (VOCA) - Advocacy	16.575	3341702	308,084
<i>SubTotal CFDA</i>	<i>16.575</i>		<u>2,803,046</u>
Total U.S. Department of Justice			<u>3,437,169</u>
<u>Department of Homeland Security</u>			
Direct Program -			
Emergency Food and Shelter National Board Program	97.024	37-782400-027	47,952
Emergency Food and Shelter National Board Program	97.024	38-782400-027	23,466
Emergency Food and Shelter National Board Program	97.024	CARES-782400-027 E1	36,977
<i>SubTotal CFDA</i>	<i>97.024</i>		<u>108,395</u>
Total Department of Homeland Security			<u>108,395</u>
<u>U.S. Department of Agriculture</u>			
Pass-through Program from:			
Texas Department of Agriculture			
Child & Adult Care Food Program - Child Care Center	10.558	01398	354
<i>SubTotal CFDA</i>	<i>10.558</i>		<u>354</u>
National School Lunch Program	10.555	01398	67,033
<i>SubTotal CFDA</i>	<i>10.555</i>		<u>67,033</u>
Total U.S. Department of Agriculture			<u>67,387</u>
Total Federal Expenditures			<u>\$ 6,922,372</u>

THE SAFE ALLIANCE  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED MARCH 31, 2021

State Grantor/Pass-Through Grantor/Program Title	Identification Number	Grant Expenditures
<u>Texas Health and Human Services Commission</u>		
Social Services Family Violence	HHS000380000052 Amend1	\$ 217,233
Social Services Family Violence	HHS000380000052	147,635
Total Texas Health and Human Services Commission		<u>364,868</u>
<u>Texas Office of the Attorney General</u>		
Other Victim Assistance Grant	2110294	25,705
Other Victim Assistance Grant	2098119	17,457
Sexual Assault Prevention and Crisis Services Funds	2109668	190,170
Sexual Assault Prevention and Crisis Services Funds	2099612	166,145
Pass-through Program From -		
Travis County District Attorney -		
VCLG - Professional Services for Crime Victims	2107332	7,332
VCLG - Professional Services for Crime Victims	2098812	16,681
Total Texas Office of the Attorney General		<u>423,490</u>
<u>Texas Department of Family and Protective Services</u>		
HIP - Helping through Intervention and Prevention	HHS000301200004	48,303
HIP - Helping through Intervention and Prevention	HHS000301200004	55,584
Project HOPES	HHS000332600007	725,649
Project HOPES	HHS000332600007	922,180
Total Texas Department of Family Protective Services		<u>1,751,716</u>
<u>Texas Office of the Governor, Criminal Justice Division</u>		
Child Sex Trafficking - Prevention, Prosecution, and Investigation (CSEC - Rider 25)	3745901	65,417
Pass-through Program From -		
Texas Alliance of Child and Family Services		
Immediate COVID Relief Fund	4129301	3,000
Total Texas Office of the Governor, Criminal Justice Division		<u>68,417</u>
Total State Expenditures		<u>\$ 2,608,491</u>

THE SAFE ALLIANCE  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED MARCH 31, 2021

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards and schedule of expenditures of state awards include the federal and state grant activity of The SAFE Alliance, and is presented on the accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of the Uniform Guidance and *State of Texas Single Audit Circular*.

Note 2 - Revenue Recognition

Grant revenues from governmental agencies and other grantors are recognized when compliance with the various grant requirements is achieved. Usually this occurs at the time the expenditures are made and any grant matching requirements are met.

Total federal expenditures	\$ 6,922,372
Total state expenditures	2,608,491
	2,608,491
Total Federal and State Agencies grants and contracts reported on the statement of activities and changes in net assets	\$ 9,530,863

Note 3 - Indirect Cost Rate

The SAFE Alliance has elected to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance for the following grants: Crime Victim Assistance (DOJ), Children's Justice (DHHS), FVPSA - Safe and Nurturing Families (DHHS), Teenage Pregnancy Prevention (DHHS), Emergency Solutions (HUD), Youth Homelessness Demonstration Program (HUD), Transitional Housing (DOJ), Justice Systems Response to Families (DOJ), Outreach and Services to Underserved Populations (DOJ), Consolidated Children & Youth Experiencing Domestic Violence (DOJ), Continuum of Care Program (HUD), Project Hopes (State-TXDFPS), and Child Sex Trafficking-Prevention, Prosecution & Investigation (State-TXCJD).

Note 4 - Subrecipients

The SAFE Alliance provided federal and state awards to subrecipients:

Name	CFDA#	Name	Year March 31, 2021	
			Federal	State
Girls Empowerment Network	16.888	DOJ OVW ConsYouth	\$ 17,333	\$ -
Caritas	14.267	HUD DV RRH	1,616	-
Foundation Communities	16.736	DOJ OVW THA2	5,044	-
AFSSA	93.592	DHHS FVPSA	31,349	-
Family Crisis Center-Bastrop	93.592	DHHS FVPSA	34,061	-
Hays-Caldwell Women's Center	93.592	DHHS FVPSA	31,526	-
Any Baby Can	n/a	DFPS -Project Hope	-	419,814
United Way Greater Austin	n/a	DFPS -Project Hope	-	32,263
Totals			\$ 120,929	\$ 452,077

THE SAFE ALLIANCE  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED MARCH 31, 2021

I. Summary of Auditors' Results

*Financial Statements*

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified \_\_\_\_\_ Yes   X   No
- Significant deficiency(ies) that are not considered to be material weaknesses? None Reported
- Noncompliance material to the financial statements noted? \_\_\_\_\_ Yes   X   No

*Federal/State Awards*

Internal control over major programs:

- Material weakness(es) identified \_\_\_\_\_ Yes   X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? None Reported

Type of auditors' report issued on compliance for major programs? Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or the *State of Texas Single Audit Circular* ? \_\_\_\_\_ Yes   X   No

Identification of Major Programs:

Federal  
 CFDA: 16.575 - Crime Victim Assistance (VOCA)

State  
 Texas Department of Family Protective Services  
 Project HOPES - ID #24125747

Dollar threshold considered between Type A and Type B Programs (Federal and State): \$750,000

Auditee qualified as low risk?   X   Yes \_\_\_\_\_ No



THE SAFE ALLIANCE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED  
YEAR ENDED MARCH 31, 2021

II. Financial Statement Findings

None

III. Findings and Questioned Costs for Federal and State Awards

None

No current year findings. As such, no corrective action plan is needed.

THE SAFE ALLIANCE  
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
YEAR ENDED MARCH 31, 2021

No prior year findings noted.