THE SAFE ALLIANCE

March 31, 2018 and Three Months Ended March 31, 2017

COMBINING AND COMBINED
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

TABLE OF CONTENTS

	PAGE
FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	1
COMBINING STATEMENT OF FINANCIAL POSITION	
March 31, 2018	3
March 31, 2017	5
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS	
Year ended March 31, 2018	7
Three Months Ended March 31, 2017	9
COMBINED STATEMENT OF FUNCTIONAL EXPENSES	
Year ended March 31, 2018	11
Three Months Ended March 31, 2017	12
COMBINING STATEMENT OF CASH FLOWS	
Year ended March 31, 2018	13
Three Months Ended March 31, 2017	14
NOTES TO COMBINING AND COMBINED FINANCIAL STATEMENTS	15
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*	33
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	35
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	
15 months ended March 31, 2018	37
SCHEDULE OF EXPENDITURES OF STATE AWARDS	
15 months ended March 31, 2018	40

TABLE OF CONTENTS - CONTINUED

	PAGE
SUPPLEMENTAL INFORMATION - CONTINUED	
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS	41
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	43
CORRECTIVE ACTION PLAN	44
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS	45

FINANCIAL SECTION

ATCHLEY & ASSOCIATES LLP
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT AUDITORS' REPORT

Board of Directors
The SAFE Alliance

Report on the Financial Statements

We have audited the accompanying combining and combined financial statements of The SAFE Alliance, which includes The SAFE Alliance, SAFE Alliance Foundation, and SAFE Alliance Facilities Holdings (the Organizations), which comprise the combining statements of financial position as of March 31, 2018 and 2017, and the related combining statements of activities and changes in net assets, combined statements of functional expenses, and combining statements of cash flows for the year ended March 31, 2018 and three months ended March 31, 2017, and the related notes to the combining and combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combining and combined 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 combining and combined 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 combining and combined 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 audits to obtain reasonable assurance about whether the combining and combined 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.

1005 La Posada Drive • Austin, Texas 78752-3815
T: (512) 346-2086 • (877) 977-6850 • F: (512) 338-9883 • www.atchleycpas.com

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combining financial position of The SAFE Alliance as of March 31, 2018 and 2017, and the combining and combined results of their operations and cash flows for the year ended March 31, 2018 and three months ended March 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the combining and combined financial statements 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 combining and combined 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 combining and combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combining and combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combining and combined financial statements or to the combining and combined 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 combining and combined financial statements as a whole.

As discussed in Notes A and B to the combining and combined financial statements, these combining and combined financial statements include The SAFE Alliance. The SAFE Alliance is the merger between SafePlace and the Austin Children's Shelter. Both entities issued separate financial statements in prior years. Our opinion is not modified with respect to this matter.

After the merger in January 2017, the Organizations changed their reporting period from December 31 calendar year end to March 31 fiscal year end. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 8, 2018, 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 8, 2018

THE SAFE ALLIANCE
COMBINING STATEMENT OF FINANCIAL POSITION
MARCH 31, 2018

ASSETS	The SAFE Alliance	SAFE Alliance Foundation	SAFE Alliance Facilities Holdings	Total
Current assets				
Cash and cash equivalents	$ 3,429,306	$ -	$ -	$ 3,429,306
Investments	917,531	-	-	917,531
Receivables				
Grants	823,544	-	-	823,544
Contracts, net	415,339	-	-	415,339
Pledges receivable - operating	78,976	-	-	78,976
Other receivables	181,914	-	-	181,914
Prepaid expenses	254,414	-	-	254,414
Current portion of temporarily restricted pledge receivable	168,186	-	-	168,186
Total current assets	6,269,210	-	-	6,269,210
Temporarily restricted pledges receivable	4,743,707	-	-	4,743,707
Assets held for capital needs and long term investment				
Investments	1,395,605	5,664,704	-	7,060,309
Pledges receivable - capital campaign	53,000	-	-	53,000
Total assets held for capital needs and long term investment	1,448,605	5,664,704	-	7,113,309
Property and equipment, net	675,048	-	15,911,304	16,586,352
Total assets	$ 13,136,570	$ 5,664,704	$ 15,911,304	$ 34,712,578

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

THE SAFE ALLIANCE
COMBINING STATEMENT OF FINANCIAL POSITION - CONTINUED
MARCH 31, 2018

	The SAFE Alliance	SAFE Alliance Foundation	SAFE Alliance Facilities Holdings	Total
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable	$ 371,402	$ -	$ -	$ 371,402
Accrued salaries	145,238	-	-	145,238
Accrued paid time off	438,500	-	-	438,500
Other accrued expenses	440,113	-	-	440,113
Current portion of long-term debt	-	-	25,000	25,000
Total current liabilities	1,395,253	-	25,000	1,420,253
Long-term obligations				
Deferred lease expense	32,557	-	-	32,557
Long-term portion of note payable	-	-	1,050,000	1,050,000
Total liabilities	1,427,810	-	1,075,000	2,502,810
Unrestricted net assets				
Undesignated	3,660,837	2,692,985	-	6,353,822
Board designated				
DFPS cash reserve	500,000	-	-	500,000
Property and equipment	2,123,653	-	14,836,304	16,959,957
	6,284,490	2,692,985	14,836,304	23,813,779
Temporarily restricted net assets	5,424,270	1,023,180	-	6,447,450
Permanently restricted net assets	-	1,948,539	-	1,948,539
Total net assets	11,708,760	5,664,704	14,836,304	32,209,768
Total liabilities and net assets	$ 13,136,570	$ 5,664,704	$ 15,911,304	$ 34,712,578

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

THE SAFE ALLIANCE
COMBINING STATEMENT OF FINANCIAL POSITION
MARCH 31, 2017

ASSETS	The SAFE Alliance	SAFE Alliance Foundation	SAFE Alliance Facilities Holdings	Total
Current assets				
Cash and cash equivalents	$ 3,381,307	$ -	$ -	$ 3,381,307
Investments	675,361	-	-	675,361
Receivables				
Grants	1,051,671	-	-	1,051,671
Contracts, net	327,616	-	-	327,616
Pledges receivable - operating	113,572	-	-	113,572
Other receivables	209,270	-	-	209,270
Prepaid expenses	196,285	-	-	196,285
Current portion of temporarily restricted pledge receivable	166,719	-	-	166,719
Total current assets	6,121,801	-	-	6,121,801
Temporarily restricted pledges receivable	4,892,093	-	-	4,892,093
Assets held for capital needs and long term investment				
Investments	1,393,545	5,278,441	-	6,671,986
Pledges receivable - capital campaign	279,000	-	-	279,000
Total assets held for capital needs and long term investment	1,672,545	5,278,441	-	6,950,986
Property and equipment, net	760,031	-	16,472,865	17,232,896
Total assets	$ 13,446,470	$ 5,278,441	$ 16,472,865	$ 35,197,776

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

THE SAFE ALLIANCE
COMBINING STATEMENT OF FINANCIAL POSITION - CONTINUED
MARCH 31, 2017

LIABILITIES AND NET ASSETS	The SAFE Alliance	SAFE Alliance Foundation	SAFE Alliance Facilities Holdings	Total
Current liabilities				
Accounts payable	$ 276,389	$ -	$ -	$ 276,389
Accrued salaries	126,801	-	-	126,801
Accrued paid time off	488,423	-	-	488,423
Other accrued expenses	435,820	-	-	435,820
Current portion of long-term debt	-	-	25,000	25,000
Total current liabilities	1,327,433	-	25,000	1,352,433
Long-term obligations				
Deferred lease expense	9,852	-	-	9,852
Long-term portion of note payable	-	-	1,075,000	1,075,000
Total liabilities	1,337,285	-	1,100,000	2,437,285
Unrestricted net assets				
Undesignated	3,611,130	2,509,357	-	6,120,487
Board designated				
DFPS cash reserve	500,000	-	-	500,000
Property and equipment	2,432,577	-	15,372,864	17,805,441
	6,543,707	2,509,357	15,372,864	24,425,928
Temporarily restricted net assets	5,565,479	820,545	-	6,386,024
Permanently restricted net assets	-	1,948,539	-	1,948,539
Total net assets	12,109,186	5,278,441	15,372,864	32,760,491
Total liabilities and net assets	$ 13,446,471	$ 5,278,441	$ 16,472,864	$ 35,197,776

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

THE SAFE ALLIANCE
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2018

	The SAFE Alliance	SAFE Alliance Foundation	SAFE Alliance Facilities Holdings	Total
CHANGES IN UNRESTRICTED NET ASSETS				
Public support and revenue:				
Grants and contracts				
Federal and State agencies	$ 6,450,736	$ -	$ -	$ 6,450,736
Local agencies	1,604,273	-	-	1,604,273
Service reimbursement contracts	2,558,119	-	-	2,558,119
Contributions and public support	4,918,122	-	-	4,918,122
Special fundraising events	2,032,407	-	-	2,032,407
In-kind support	1,475,818	-	25,000	1,500,818
Revenue from services	475,704	-	-	475,704
Proceeds from endowment from related entity	10,900	-	-	10,900
Investment income	31,786	260,668	-	292,454
Direct client assistance support from other agencies	7,618	-	-	7,618
Other	56,673	-	-	56,673
Total unrestricted public support and revenue	19,622,156	260,668	25,000	19,907,824
Transfer from Foundation to SAFE	162,053	(162,053)	-	-
Transfer from SAFE to Facilities Holdings	(135,305)		135,305	-
Net assets released from restrictions	620,131	85,013	-	705,144
Total unrestricted public support, revenue and net assets released from restrictions	20,269,035	183,628	160,305	20,612,968
Expenses				
Program services				
Client services	16,239,807	-	652,230	16,892,037
Community programs	1,065,307	-	8,799	1,074,106
Total program expenses	17,305,114	-	661,029	17,966,143

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

THE SAFE ALLIANCE
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - CONTINUED
YEAR ENDED MARCH 31, 2018

	The SAFE Alliance	SAFE Alliance Foundation	SAFE Alliance Facilities Holdings	Total
Supporting services				
Management and general	1,916,665	-	32,432	1,949,097
Fundraising	867,654	-	3,404	871,058
Special events	438,819	-	-	438,819
Total supporting services	3,223,138	-	35,836	3,258,974
Total expenses	20,528,252	-	696,865	21,225,117
Net change in unrestricted net assets	(259,217)	183,628	(536,560)	(612,149)
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS				
Public support and revenue:				
Contributions and public support	478,922	-	-	478,922
Investment gain	-	287,648	-	287,648
Total temporarily restricted public support and revenue	478,922	287,648	-	766,570
Net assets released from restrictions	(620,131)	(85,013)	-	(705,144)
Net change in temporarily restricted net assets	(141,209)	202,635	-	61,426
Net change in net assets	(400,426)	386,263	(536,560)	(550,723)
Net assets at beginning of year	12,109,186	5,278,441	15,372,864	32,760,491
Net assets at end of year	$ 11,708,760	$ 5,664,704	$ 14,836,304	$ 32,209,768

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

THE SAFE ALLIANCE

COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

THREE MONTHS ENDED MARCH 31, 2017

	The SAFE Alliance	SAFE Alliance Foundation	SAFE Alliance Facilities Holdings	Total
CHANGES IN UNRESTRICTED NET ASSETS				
Public support and revenue:				
Grants and contracts				
Federal and State agencies	$ 1,493,876	$ -	$ -	$ 1,493,876
Local agencies	429,176	-	-	429,176
Service reimbursement contracts	596,116	-	-	596,116
Contributions and public support	893,056	-	-	893,056
Special fundraising events	225,274	-	-	225,274
In-kind support	262,732	-	25,000	287,732
Revenue from services	127,494	-	-	127,494
Proceeds from endowment from related entity	-	-	-	-
Investment income	4,628	105,041	-	109,669
Direct client assistance support from other agencies	2,186	-	-	2,186
Other	12,608	-	-	12,608
Total unrestricted public support and revenue	4,047,146	105,041	25,000	4,177,187
Transfer from Foundation to SAFE	-	-	-	-
Transfer from SAFE to Facilities Holdings	-	-	-	-
Net assets released from restrictions	473,447	-	-	473,447
Net assets acquired/transferred by merger	(4,504,021)	-	5,257,185	753,164
Total unrestricted public support, revenue and net assets released from restrictions	16,572	105,041	5,282,185	5,403,798
Expenses				
Program services				
Client services	3,895,234	-	161,911	4,057,145
Community programs	259,986	-	2,176	262,162
Total program expenses	4,155,220	-	164,087	4,319,307

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

THE SAFE ALLIANCE
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - CONTINUED
THREE MONTHS ENDED MARCH 31, 2017

	The SAFE Alliance	SAFE Alliance Foundation	SAFE Alliance Facilities Holdings	Total
Supporting services				
Management and general	505,983	-	7,790	513,773
Fundraising	244,560	-	793	245,353
Special events	87,264	-	-	87,264
Total supporting services	837,807	-	8,583	846,390
Total expenses	4,993,027	-	172,670	5,165,697
Net change in unrestricted net assets	(4,976,455)	105,041	5,109,515	238,101
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS				
Public support and revenue:				
Contributions and public support	(11,800)	-	-	(11,800)
Investment gain	-	115,914	-	115,914
Total temporarily restricted public support and revenue	(11,800)	115,914	-	104,114
Net assets released from restrictions	(473,447)	-	-	(473,447)
Net assets acquired/transferred by merger	5,875,578	-	(821,063)	5,054,515
Net change in temporarily restricted net assets	5,390,331	115,914	(821,063)	4,685,182
Net change in net assets	413,876	220,955	4,288,452	4,923,283
Net assets at beginning of period	11,695,310	5,057,486	11,084,412	27,837,208
Net assets at end of period	$ 12,109,186	$ 5,278,441	$ 15,372,864	$ 32,760,491

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

THE SAFE ALLIANCE
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2018

	COMBINED							
	Program Services			Supporting Services				
	Client Services	Community Programs	Total Program Services	Management and General	Fundraising	Special Events	Total Supporting Services	Total
Salaries and benefits	$ 11,429,948	$ 819,705	$ 12,249,653	$ 1,550,180	$ 593,899	$ -	$ 2,144,079	$ 14,393,732
Direct client assistance	1,331,540	-	1,331,540	-	-	-	-	1,331,540
Facility costs	1,047,845	38,152	1,085,997	103,503	66,037	-	169,540	1,255,537
Subcontracts with partner agencies	979,943	22,087	1,002,030	-	-	-	-	1,002,030
Supplies and expenses	328,991	11,082	340,073	27,717	7,228	438,819	473,764	813,837
Professional fees and contracts	481,934	45,188	527,122	156,992	6,227	-	163,219	690,341
Travel, training and conferences	270,489	32,959	303,448	17,600	2,886	-	20,486	323,934
Printing and publications	10,801	70,148	80,949	362	91,365	-	91,727	172,676
Communications	82,202	3,354	85,556	10,034	6,755	-	16,789	102,345
Other expense	23,742	997	24,739	5,839	66,191	-	72,030	96,769
Equipment rental and maintenance	36,001	7,828	43,829	7,434	2,412	-	9,846	53,675
Small equipment purchases	22,934	4,781	27,715	2,312	3,807	-	6,119	33,834
Subscriptions and dues	20,241	775	21,016	6,625	6,046	-	12,671	33,687
Total expenses before depreciation	16,066,611	1,057,056	17,123,667	1,888,598	852,853	438,819	3,180,270	20,303,937
Depreciation	825,426	17,050	842,476	60,499	18,205	-	78,704	921,180
Total expenses	$ 16,892,037	$ 1,074,106	$ 17,966,143	$ 1,949,097	$ 871,058	$ 438,819	$ 3,258,974	$ 21,225,117

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

THE SAFE ALLIANCE
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
THREE MONTHS ENDED MARCH 31, 2017

	COMBINED							
	Program Services			Supporting Services				
	Client Services	Community Programs	Total Program Services	Management and General	Fundraising	Special Events	Total Supporting Services	Total
Salaries and benefits	$ 2,790,767	$ 213,650	$ 3,004,417	$ 389,236	$ 149,568	$ -	$ 538,804	$ 3,543,221
Direct client assistance	224,452	270	224,722	-	-	-	-	224,722
Facility costs	293,392	9,328	302,720	31,063	16,654	-	47,717	350,437
Subcontracts with partner agencies	258,495	-	258,495	-	-	-	-	258,495
Supplies and expenses	75,223	5,071	80,294	5,398	4,006	87,264	96,668	176,962
Professional fees and contracts	96,097	512	96,609	45,774	21,953	-	67,727	164,336
Travel, training and conferences	55,354	6,879	62,233	11,796	4,183	-	15,979	78,212
Printing and publications	4,667	18,813	23,480	1,676	18,591	-	20,267	43,747
Communications	17,552	591	18,143	2,332	1,353	-	3,685	21,828
Other expense	5,301	244	5,545	1,929	21,303	-	23,232	28,777
Equipment rental and maintenance	8,536	1,164	9,700	1,513	1,017	-	2,530	12,230
Small equipment purchases	15,635	1,273	16,908	7,170	1,306	-	8,476	25,384
Subscriptions and dues	2,785	106	2,891	883	926	-	1,809	4,700
Total expenses before depreciation	3,848,256	257,901	4,106,157	498,770	240,860	87,264	826,894	4,933,051
Depreciation	208,889	4,261	213,150	15,003	4,493	-	19,496	232,646
Total expenses	$ 4,057,145	$ 262,162	$ 4,319,307	$ 513,773	$ 245,353	$ 87,264	$ 846,390	$ 5,165,697

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

THE SAFE ALLIANCE
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2018

	The SAFE Alliance	SAFE Alliance Foundation	SAFE Alliance Facilities Holdings	Total
OPERATING ACTIVITIES				
Increase (decrease) in net assets	$ (400,426)	$ 386,263	$ (536,560)	$ (550,723)
Adjustments to reconcile change in net assets to net cash flows from operating activities				
Depreciation	224,315	-	696,865	921,180
Gain on disposal of assets	(4,324)	-	-	(4,324)
Donated note principal payments	-	-	(25,000)	(25,000)
Donated lease expense	169,424	-	-	169,424
In-kind property, equipment and facility	(6,640)	-	-	(6,640)
Unrealized (gain) on investments	-	(287,648)	-	(287,648)
Realized (gain) loss on investments	-	(260,668)	-	(260,668)
Changes in operating assets and liabilities -				
Receivables				
Grants	228,127	-	-	228,127
Contracts	(87,723)	-	-	(87,723)
Pledges	34,596	-	-	34,596
Other	27,355	-	-	27,355
Prepaid expenses	(165,113)	-	-	(165,113)
Temporarily restricted pledges	200	-	-	200
Accounts payable	201,997	-	-	201,997
Accrued salaries	18,438	-	-	18,438
Accrued paid time off	(49,922)	-	-	(49,922)
Other accrued expenses	4,292	-	-	4,292
Net cash flows from operating activities	194,596	(162,053)	135,305	167,848
INVESTING ACTIVITIES				
Sale (purchase) of investments, net	(2,060)	162,053	-	159,993
Reserve of cash for capital needs	(242,170)	-	-	(242,170)
Change in capital pledge receivable	226,000	-	-	226,000
Proceeds from disposal of property and equipment	9,233	-	-	9,233
Purchase of property and equipment	(137,600)	-	(135,305)	(272,905)
Net cash flows from investing activities	(146,597)	162,053	(135,305)	(119,849)
Net change in cash and cash equivalents	47,999	-	-	47,999
Cash and cash equivalents - beginning of year	3,381,307	-	-	3,381,307
Cash and cash equivalents - end of year	$ 3,429,306	$ -	$ -	$ 3,429,306

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

THE SAFE ALLIANCE
COMBINING STATEMENT OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2017

	The SAFE Alliance	SAFE Alliance Foundation	SAFE Alliance Facilities Holdings	Total
OPERATING ACTIVITIES				
Increase (decrease) in net assets	$ 413,876	$ 220,955	$ 4,288,452	$ 4,923,283
Adjustments to reconcile change in net assets to net cash flows from operating activities				
Depreciation	59,976	-	172,670	232,646
Gain on disposal of assets	-	-	-	-
Donated note principal payments	-	-	(25,000)	(25,000)
Donated lease expense	42,356	-	-	42,356
In-kind property, equipment and facility	-	-	-	-
Unrealized (gain) on investments	-	(105,041)	-	(105,041)
Realized (gain) loss on investments	-	(115,914)	-	(115,914)
Changes in operating assets and liabilities -				
Receivables				
Grants	(69,585)	-	-	(69,585)
Contracts	(31,337)	-	-	(31,337)
Pledges	(17,954)	-	-	(17,954)
Other	(142,199)	-	-	(142,199)
Prepaid expenses	40,549	-	-	40,549
Temporarily restricted pledges	17,800	-	-	17,800
Accounts payable	(258,785)	-	-	(258,785)
Accrued salaries	4,361	-	-	4,361
Accrued paid time off	69,520	-	-	69,520
Other accrued expenses	24,726	-	-	24,726
Net cash flows from operating activities	153,304	-	4,436,122	4,589,426
INVESTING ACTIVITIES				
Sale (purchase) of investments, net	(2,585)	-	-	(2,585)
Reserve of cash for capital needs	287,113	-	-	287,113
Change in capital pledge receivable	-	-	-	-
Proceeds from disposal of property and equipment	-	-	-	-
Purchase of property and equipment	-	-	-	-
Addition of property by merger (Net of depreciation)	(1,371,557)	-	(4,436,122)	(5,807,679)
Net cash flows from investing activities	(1,087,029)	-	(4,436,122)	(5,523,151)
Net change in cash and cash equivalents	(933,725)	-	-	(933,725)
Cash and cash equivalents - beginning of period	4,315,032	-	-	4,315,032
Cash and cash equivalents - end of period	$ 3,381,307	$ -	$ -	$ 3,381,307

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

NOTE A - NATURE OF OPERATIONS

The SAFE Alliance

On January 1, 2017, The SAFE Services Alliance, Travis County Domestic Violence & Sexual Assault Survival Center d/b/a 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. Effective April 1, 2017, SAFE changed its fiscal year from calendar year to April - March. The financials for the resulting three months ended March 31, 2017, are reflected separately in the audited financials for the year ending March 31, 2018.

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 $8,055,000 and $1,923,000 in the year ended March 31, 2018 and the three months ended March 31, 2017, respectively, by contracts with state agencies to provide services to clients on a fee-for-service basis of approximately $2,558,000 in the year ended March 31, 2018 and $596,000 in the three months ending March 31, 2017, and contributions from the general public of approximately $7,429,000 and $1,107,000 in the year ended March 31, 2018 and three months ended March 31, 2017, respectively.

The costs of providing the various programs and other activities have been summarized on a functional basis in the combined 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 of $548,316 and $220,955 for the year ended March 31, 2018 and three months ended March 31, 2017, respectively.

NOTE B - SUMMARY OF ACCOUNTING POLICIES

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

Combining and Combined Financial Statements

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

Basis of Presentation

The combining and combined financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America.

Financial Statement Presentation

Under Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958, the Organizations are required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, based on the absence or existence of donor-imposed restrictions.

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations or the donor-imposed restrictions have expired or been satisfied.

Temporarily restricted net assets - Net assets that are subject to donor-imposed stipulations either for use during a specific time period or for a particular purpose.

Permanently restricted net assets - Net assets that are subject to donor-imposed stipulations that they be maintained permanently by the Organizations.

Net Assets Released from Restrictions

When a donor-imposed restriction is fulfilled or when a time restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying combining statements of activities as net assets released from restrictions.

NOTE B - SUMMARY OF ACCOUNTING POLICIES - Continued

Cash and Cash Equivalents

As of March 31, 2018 and 2017, cash and cash equivalents were $4,376,306 and $4,255,683, respectively. Of those amounts, $947,000 and $874,376, are reported as investments held for capital needs and long term investment on the Combining Statement of Financial Position, for the year ended March 31, 2018 and three months ended March 31, 2017, respectively.

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 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 financial statements for uncollectible pledges and other contributions receivable based on prior history with similar donors.

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. Generally accepted accounting principles establish 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 Income

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 combining statement of activities and changes in net assets as increases or decreases in unrestricted net assets unless temporarily or permanently restricted by the donor or by law.

Investment income consists of interest and dividends and is available to support any activities of the Organizations. Investment income is recognized as unrestricted revenue, unless otherwise specified by the donor.

NOTE B - SUMMARY OF ACCOUNTING POLICIES - Continued

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 combining 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 - 10 years
Vehicles	3 - 5 years

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 restricted support 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 unrestricted contributions 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. Unrestricted contributions are recorded as an increase in unrestricted net assets 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 temporarily restricted contributions.

NOTE B - SUMMARY OF ACCOUNTING POLICIES - Continued

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 temporarily restricted net assets 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.

Advertising

Advertising and direct mail costs are expensed as incurred. For the year ended March 31, 2018 and three months ended March 31, 2017, advertising and direct mail expense totaled $172,676 and $43,747, respectively.

Investment in Limited Partnership

SAFE is a partner in a project for low-income families. The ownership interest is 1% general partner interest and is not combined in the financial statements as the partnership is not controlled by SAFE. See Note O for additional information.

Income Taxes

The Organizations 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 combining and combined 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 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, 2018 and 2017, the Organizations have not recognized liabilities for uncertain tax positions or associated interest and penalties.

The Organizations' individual federal exempt organization returns for the years December 31, 2015, and thereafter, are subject to examination by the Internal Revenue Services, generally for three years after they are filed.

NOTE B - SUMMARY OF ACCOUNTING POLICIES - Continued

In-kind Contributions

The Organizations receives 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.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 combining and combined financial statements were available to be issued.

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, 2019 are discounted at 2% per year.

Unconditional promises to give at March 31, 2018:

	SAFE
Operations	$ 152,669
Capital campaign	85,000
Temporarily restricted	4,915,293
Unconditional promises to give	$ 5,152,962
Amounts due in:	
Less than one year	$ 380,855
One to five years	808,456
More than five years	3,963,651
Total unconditional promises to give	5,152,962
Less discount to net present value	(1,150)
Less allowance for uncollectible pledges	(107,943)
Net unconditional promises to give	$ 5,043,869

Unconditional promises to give are presented on the combining statement of financial position as follows:

	SAFE
Current asset	
Pledges receivable - operating, net	$ 78,976
Current portion of temporarily restricted pledge	168,186
Long-term asset	
Temporarily restricted pledges receivable, net	4,743,707
Capital campaign	53,000
	$ 5,043,869

NOTE D - PROMISES TO GIVE - Continued

Unconditional promises to give at March 31, 2017:

	SAFE
Operations	$ 179,237
Capital campaign	310,000
Temporarily restricted	5,062,012
Unconditional promises to give	$ 5,551,249
Amounts due in:	
Less than one year	$ 429,237
One to five years	848,413
More than five years	4,273,599
Total unconditional promises to give	5,551,249
Less discount to net present value	(4,200)
Less allowance for uncollectible pledges	(95,665)
Net unconditional promises to give	$ 5,451,384

Unconditional promises to give are presented on the combining statement of financial position as follows:

	SAFE
Current asset	
Pledges receivable - operating, net	$ 113,572
Current portion of temporarily restricted pledge	166,719
Long-term asset	
Temporarily restricted pledges receivable, net	4,892,093
Capital campaign	279,000
	$ 5,451,384

NOTE E - INVESTMENTS

The following table sets forth by level, within the fair value hierarchy, SAFE's assets at fair value as of March 31, 2018:

	Level 1	Level 2	Level 3	Total
Mutual funds				
U.S. Treasury	$ 885,436	$ -	$ -	$ 885,436
Corporate debt	198,660	-	-	198,660
Cash	947,000	-	-	947,000
Money market funds	282,040	-	-	282,040
	$ 2,313,136	$ -	$ -	$ 2,313,136

NOTE E - INVESTMENTS - Continued

The following table sets forth by level, within the fair value hierarchy, SAFE's assets at fair value as of March 31, 2017:

	Level 1	Level 2	Level 3	Total
Mutual funds				
U.S. Treasury	$ 841,041	$ -	$ -	$ 841,041
Corporate debt	200,205	-	-	200,205
Cash	874,376	-	-	874,376
Money market funds	153,284	-	-	153,284
	$ 2,068,906	$ -	$ -	$ 2,068,906

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of March 31, 2018:

	Level 1	Level 2	Level 3	Total
Mutual funds				
Equity securities	$ 2,920,815	$ -	$ -	$ 2,920,815
U.S. Treasury	556,108	-	-	556,108
Corporate debt	1,092,360	-	-	1,092,360
Non-U.S. securities	731,159	-	-	731,159
Cash and money market funds	364,262	-	-	364,262
	$ 5,664,704	$ -	$ -	$ 5,664,704

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of March 31, 2017:

	Level 1	Level 2	Level 3	Total
Mutual funds				
Equity securities	$ 3,621,422	$ -	$ -	$ 3,621,422
U.S. Treasury	615,781	-	-	615,781
Corporate debt	679,806	-	-	679,806
Non-U.S. securities	320,171	-	-	320,171
Cash and money market funds	41,261	-	-	41,261
	$ 5,278,441	$ -	$ -	$ 5,278,441

NOTE F - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

SAFE	2018	2017
Furniture, fixtures and equipment	$ 2,492,515	$ 2,410,009
Vehicles	268,558	311,011
	2,761,073	2,721,020
Accumulated depreciation	(2,086,025)	(1,960,989)
	$ 675,048	$ 760,031

NOTE F - PROPERTY AND EQUIPMENT - Continued

Depreciation expense for SAFE totaled $224,315 for the year ended March 31, 2018, and $59,976 for the three months ended March 31, 2017.

During the year ended March 31, 2018, SAFE received and placed into service vehicles valued at $6,640.

SAFE Facilities Holdings	2018	2017
Land	$ 2,851,468	$ 2,851,468
Buildings and improvements	22,317,971	22,182,667
	25,169,439	25,034,135
Accumulated depreciation	(9,258,135)	(8,561,270)
	$ 15,911,304	$ 16,472,865

Depreciation expense for SAFE Facilities Holdings totaled $696,865 for the year ended March 31, 2018, and $172,670 for the three months ended March 31, 2017.

NOTE G - NOTE PAYABLE

SAFE Facilities Holdings' long-term obligation as of March 31 follows:

	2018	2017
City of Austin - Executed in connection with expansion of supportive housing complex; secured by land and construction; payable in annual installments of $25,000 with 0% interest beginning February 2002. See note (a) below.	$ 75,000	$ 100,000
Less amount due within one year	(25,000)	(25,000)
Debt, noncurrent portion	$ 50,000	$ 75,000

The future debt service under this note payable as of March 31, 2018, is as follows:

March 31,	Amount
2019	$ 25,000
2020	25,000
2021	25,000
	$ 75,000

NOTE G - NOTE PAYABLE - Continued

(a) The proceeds of this loan were used in connection with the construction of an expansion of the supportive housing complex, including fourteen new apartments and a new community center. The loan is forgiven at the rate of $25,000 per year if SAFE operates the housing project for lower income families. The loan will be fully forgiven twenty years from the date of the loan, on February 28, 2021, providing SAFE continues to operate the property for its intended use and is not in default of the terms of the note, the loan agreement, or the deed of trust. The donation of the principal payment due in 2018 and 2017 have been recorded as an increase in net assets in the current year's financial statements.

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, 2018 and 2017, was $1,000,000.

NOTE H - TEMPORARY RESTRICTIONS ON NET ASSETS

At March 31, 2018, the total amount of restricted net assets for time restricted gifts for future program expenditures was $5,424,270 for SAFE; the Foundation restricted net assets for future program expenditures was $1,023,180.

At March 31, 2017, the total amount of restricted net assets for time restricted gifts for future program expenditures was $5,565,479 for SAFE; the Foundation restricted net assets for future program expenditures was $820,545.

NOTE I - 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, 2018 and three months ended March 31, 2017, are as follows:

	SAFE	Foundation
	2018	
Gifts for 2018 program expenditures	$ 620,131	$ -
Program restrictions met	-	85,013
	$ 620,131	$ 85,013
	2017	
Gifts for 2017 program expenditures	$ 473,447	$ -

NOTE J - 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.

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 permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the permanent 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 as temporarily restricted the amounts of income, gains, and losses in excess of expenses. Any unrealized gain or loss is likewise accumulated in temporarily restricted net assets. No losses or expenses are charged to permanently restricted net assets, and all excess remains in temporarily restricted net assets 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.

NOTE J - ENDOWMENT FUNDS - Continued

Endowment net asset composition as of March 31, 2018, follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment funds	$ 2,692,985	$ 1,023,180	$ 1,948,539	$ 5,664,704

Changes in endowment net assets for the year ended March 31, 2018, follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 2,509,357	$ 820,545	$ 1,948,539	$ 5,278,441
Investment return:				
Investment income, net	260,668	287,648	-	548,316
Total investment return	260,668	287,648	-	548,316
Contributions	-	-	-	-
Assets released from restrictions	85,013	(85,013)	-	-
Distributions	(162,053)	-	-	(162,053)
Net assets, end of year	$ 2,692,985	$ 1,023,180	$ 1,948,539	$ 5,664,704

Endowment net asset composition as of March 31, 2017, follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment funds	$ 2,509,357	$ 820,545	$ 1,948,539	$ 5,278,441

Changes in endowment net assets for the three months ended March 31, 2017, follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of peiord	$ 2,404,315	$ 704,632	$ 1,948,539	$ 5,057,486
Investment return:				
Investment income, net	105,042	115,913	-	220,955
Total investment return	105,042	115,913	-	220,955
Contributions	-	-	-	-
Assets released from restrictions	-	-	-	-
Distributions	-	-	-	-
Net assets, end of period	$ 2,509,357	$ 820,545	$ 1,948,539	$ 5,278,441

NOTE K - SUPPORTING SERVICES

SAFE held various special fundraising events during the year ended March 31, 2018 and three months ended March 31, 2017. The revenue and expenses related to these special events are reflected in these combining and combined financial statements as follows:

	2018		
	Revenue	Direct Costs	Net
SAFE			
Gala	$ 919,969	$ 254,405	$ 665,564
Celebration/Luncheon	374,003	49,254	324,749
Fashion Show-Day to Shine	119,015	45,269	73,746
Fore the Children	118,000	51,168	66,832
Touch-A-Truck	114,976	30,629	84,347
3rd Party Hosted Events	386,444	8,094	378,350
Totals	$ 2,032,407	$ 438,819	$ 1,593,588

	2017		
	Revenue	Direct Costs	Net
SAFE			
Gala	$ 16,000	$ 18,891	$ (2,891)
Celebration/Luncheon	5,206	3,040	2,166
Fashion Show-Day to Shine	105,105	62,263	42,842
Fore the Children	5,000	30	4,970
Touch-A-Truck	55,345	3,040	52,305
3rd Party Hosted Events	38,618	-	38,618
Totals	$ 225,274	$ 87,264	$ 138,010

NOTE L - 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 and $25,000 in the year ended March 31, 2018 and three months ended March 31, 2017, respectively.

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 $742,844 and $91,913 in the year ended March 31, 2018 and three months ended March 31, 2017, respectively, and Goodwill vouchers valued at $105,167 and $20,450 in the year ended March 31, 2018 and three months ended March 31, 2017, respectively, were received and distributed to clients.

Donated Items Added to Vehicle Assets

SAFE received and placed into service two vehicles valued at $6,640, during the year ended March 31, 2018.

NOTE L - 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.

	2018	
Salaries	Hours	Fair Value
Children's Services	1,210	$ 29,886
Children/Youth Housing Support	704	17,395
Community/Client Education	506	12,498
Counseling Interns	7,006	172,968
Emergency Services	10,997	271,507
Fundraising/Special Events	1,919	47,380
In-Kind Program Management	747	18,437
Investment services	-	-
Outreach Services - Legal Advocacy	2,070	51,096
Total Contributed Services	25,159	$ 621,167

	2017	
Salaries	Hours	Fair Value
Children's Services	518	$ 13,015
Children/Youth Housing Support	258	6,495
Community/Client Education	158	3,962
Counseling Interns	1,134	28,520
Emergency Services	3,152	79,279
Fundraising/Special Events	12	302
In-Kind Program Management	178	4,483
Investment services	20	449
Outreach Services - Legal Advocacy	551	13,864
Total Contributed Services	5,981	$ 150,369

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

	2018	2017
Volunteer Training/Newsletter	7,431	2,072
Administrative	4,421	1,087
Total Volunteered Hours	11,852	3,159

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 combining and combined financial statements.

NOTE M - INVESTMENTS

Investment return is summarized as follows:

	2018	
	SAFE	Foundation
Interest and dividend income	$ 27,461	$ 111,376
Capital gains	4,325	14,264
Unrealized gain on investments	-	422,676
Total investment income	$ 31,786	$ 548,316

	2017	
	SAFE	Foundation
Interest and dividend income	$ 4,628	$ 27,191
Capital Gains	-	-
Unrealized gain on investments	-	193,764
Total investment income	$ 4,628	$ 220,955

NOTE N - RETIREMENT CONTRIBUTION

SAFE provides a 403(b) salary reduction retirement plan for the benefit of employees. The plan began January 1, 2008, and allows for contributions through payroll deductions. Individual employee contributions vary. The cost of employer contributions to the plan was $217,408 and $49,126 for the year ended March 31, 2018 and three months ended March 31, 2017, respectively. No significant changes occurred in the plan components in 2018 or in 2017.

NOTE O - LIMITED PARTNERSHIP

In 2002, Grove Place Partners, Ltd. (the Project) was formed to build and operate a 184-unit low-income apartment complex. Grove Place Partners GP, Inc. (GP) was formed to act as the General Partner in the Project. SafePlace was the original parent organization of GP. SAFE became the parent organization of GP as a result of the merger January 1, 2017.

The developer of the Project, a third party, is expected to receive a development fee in an amount up to 15% of the eligible basis of the Project. The development fee will be paid out of loan and equity proceeds received by the GP and, if such proceeds are insufficient for payment of the development fee, from cash flow generated by the operation of the Project. To the extent a development fee is paid, the developer shall share 10% of the development fee with GP, and the developer shall retain the remainder of the development fee. GP is required to pass any fees it earns to the parent organization. In 2018 and 2017, SAFE opted to forego receiving the 10% of development fee payments so as to enable faster payment of the balance.

NOTE O - LIMITED PARTNERSHIP - Continued

In 2012, the agreements related to the development fee were renegotiated. The developer agreed to a reduction of the remaining balance of the development fees. GP will receive 10% of paid fees, but will retain a portion for GP expenses. Thus, the amount of fees that will be passed through to the parent organization is uncertain. Consequently, the receivable recorded in a prior year for the expected receipt of developer fees was written off in 2012. When excess developer fees are forwarded to SAFE from GP, they will be recorded as revenue in the year received. For the year ended March 31, 2018 and three months ended March 31, 2017, GP collected development fees in the amounts of $0 and $0, respectively.

NOTE P - 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.

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 unrestricted funds in the Foundation's endowment fund.

NOTE Q - CONCENTRATION OF RISK

SAFE maintains cash deposits in financial institutions. These balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. Investments in cash held in brokerage accounts are insured by the Securities Investor Protection Corporation (SIPC) up to $250,000 at March 31, 2018. At March 31, 2018, SAFE had cash equivalents and investments of $4,453,576 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 R - 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 ACS during the year ended March 31, 2018 and three months ended March 31, 2017 for $10,900 and $0, respectively. The fair value of the investments in the Fund is $178,450 and $176,465 at March 31, 2018 and three months ended March 31, 2017, respectively.

NOTE S - DONATED FACILITIES

SAFE receives the use of donated facilities. The original donation was recorded as temporarily restricted contributions 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.

SUPPLEMENTAL INFORMATION

ATCHLEY & ASSOCIATES LLP
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

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 combining and combined financial statements of The SAFE Alliance (SAFE), which comprise the combining statements of financial position as of March 31, 2018 and 2017, and the related combining and combined statements of activities and changes in net assets, functional expenses and cash flows for the year ended March 31, 2018 and the three months ended March 31, 2017, the combining and combined statements of functional expenses for the years then ended, and the related notes to the combining and combined financial statements, and have issued our report thereon dated August 8, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the 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 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.

1005 La Posada Drive • Austin, Texas 78752-3815
T: (512) 346-2086 • (877) 977-6850 • F: (512) 338-9883 • www.atchleycpas.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether SAFE's 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 8, 2018

ATCHLEY & ASSOCIATES LLP
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

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 15 months ended March 31, 2018. 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.

1005 La Posada Drive • Austin, Texas 78752-3815
T: (512) 346-2086 • (877) 977-6850 • F: (512) 338-9883 • www.atchleycpas.com

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 15 months ended March 31, 2018.

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 s*ignificant 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 8, 2018

THE SAFE ALLIANCE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
15 MONTHS ENDED MARCH 31, 2018

Federal Grantor/Pass-through Agency/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Agriculture			
Pass-through Program from:			
National School Lunch Program	10.555	01398	$ 88,960
Texas Department of Agriculture			
Child & Adult Care Food Program - Child Care Center	10.558	01398	40,935
Total U.S. Department of Agriculture			129,895
U.S. Department of Housing and Urban Development			
Direct Program -			
Continuum of Care Program	14.267	N/A	424,004
Continuum of Care Program	14.267	N/A	298,622
Continuum of Care Program	14.267	N/A	49,212
Pass-through Program from:			
LifeWorks via TDHCA			
Emergency Shelter Grants Program	14.231	137614244	111,476
Emergency Shelter Grants Program	14.231	42170002833	55,211
Texas Department of Housing and Community Affairs			
Emergency Shelter Grants Program	14.231	42160002565	1,668
Emergency Shelter Grants Program	14.231	42160002713	1,402
Salvation Army - Passages Program	14.267	TX0401L6J031500	38,187
Salvation Army - Passages Program	14.267	TX0401L6J031601	27,154
Total U.S. Department of Housing & Urban Development			1,006,936
U.S. Department of Justice			
Direct Program -			
Justice For Families - PlanetSafe	16.021	N/A	58,877
Justice For Families - PlanetSafe Continuation	16.021	N/A	139,397
Education & Technical Assistance to End Violence Against Women with Disabilities	16.529	N/A	118,099
Grants to Encourage Arrest	16.590	N/A	298,815
Transitional Housing Grant Program	16.736	N/A	138,108
Consolidated Children & Youth Experiencing Domestic	16.888	N/A	422,896
Outreach and Services to Underserved Populations	16.889	N/A	36,884

THE SAFE ALLIANCE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
15 MONTHS ENDED MARCH 31, 2018

Federal Grantor/Pass-through Agency/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Justice - Continued			
Pass-through Program From:			
American Gateways via Office of the Governor, Criminal Ju			
Crime Victim Assistance (VOCA) - American Gateways	16.575	1511518	$ 28,095
Office of the Governor, Criminal Justice Division -			
Crime Victim Assistance (VOCA) - Comprehensive Svcs	16.575	1400517	309,467
Crime Victim Assistance (VOCA) - Comprehensive Svcs	16.575	1400518	406,566
Crime Victim Assistance (VOCA) - SafeChat	16.575	3124601	55,026
Crime Victim Assistance (VOCA) - General Victims	16.575	2911302	321,813
Crime Victim Assistance (VOCA) - Forensic Svcs	16.575	3417601	41,373
Crime Victim Assistance (VOCA) - Transitional	16.575	3424201	18,310
Crime Victim Assistance (VOCA) - Drop In	16.575	3300601	127,137
Crime Victim Assistance (VOCA) - Advocacy	16.575	3341701	83,609
Crime Victim Assistance (VOCA) - Specialized Foster	16.575	3342501	60,062
Crime Victim Assistance (VOCA) - Emergency	16.575	3371201	93,214
Travis County District Attorney			
Improving Criminal Justice Response	16.590	2016-WE-AX-0007	501
Total U.S. Department of Justice			2,758,249
U.S. Department of Education			
Pass-through Program From:			
Region XIII Education Service Center			
Homeless Education Disaster Assistance Programs	84.196	N/A	3,590
Total U.S. Department of Education			3,590
U.S. Department of Health & Human Services			
Direct Program -			
FVPSA - Safe and Nurturing Families	93.592	N/A	422,803
Pass-through Program from:			
Texas Council for Developmental Disabilities -			
Developmental Disabilities Basic Support and Advocacy	93.630	17177	50,389
Texas Center for the Judiciary -			
Children's Justice Act Grant	93.643	CJA-17-05	36,508
Children's Justice Act Grant	93.643	CJA-18-04	22,125

THE SAFE ALLIANCE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINEUD
15 MONTHS ENDED MARCH 31, 2018

Federal Grantor/Pass-through Agency/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Health & Human Services - Continued			
Pass-through Program from:			
Texas Health and Human Services Commission -			
Family Violence Prevention Services	93.667	529-15-0032-00071	$ 186,011
Family Violence Prevention Services	93.667	529-15-0032-00071A	243,030
Family Violence Prevention Services	93.671	529-15-0032-00071	84,629
Family Violence Prevention Services	93.671	529-15-0032-00071A	113,456
Family Violence Prevention Services	93.671	529-15-0006-00030	41,514
Family Violence Prevention Services	93.671	529-15-0006-00030A	34,702
University of North Carolina at Chapel Hill			
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	5105708	17,413
Total U.S. Department of Health & Human Services			1,252,580
Department of Homeland Security			
Direct Program -			
Emergency Food and Shelter National Board Program	97.024	N/A	37,711
Total Department of Homeland Security			37,711
Total Federal Expenditures			$ 5,188,961

THE SAFE ALLIANCE
SCHEDULE OF EXPENDITURES OF STATE AWARDS
15 MONTHS ENDED MARCH 31, 2018

State Grantor/Pass-Through Grantor/Program Title	Identification Number	Grant Expenditures
Texas Health and Human Services Commission		
Social Services Family Violence	529-15-0032-00071	$ 221,732
Social Services Family Violence	529-15-0032-00071A	207,640
Total Texas Health and Human Services Commission		429,372
Office of the Attorney General		
Other Victim Assistance Grant	1769884	27,315
Other Victim Assistance Grant	1767995	27,636
Other Victim Assistance Grant	1880533	25,198
Sexual Assault Prevention and Crisis Services Funds	1881770	119,795
Pass-through Program From -		
Travis County District Attorney -		
VCLG - Professional Services for Crime Victims	1772573	28,000
VCLG - Professional Services for Crime Victims	1881523	13,999
Total Office of the Attorney General		241,943
Office of the Governor		
Pass-through Program From -		
Texas Council on Family Violence		
Project SAFE CJD Fund 421	2846401	21,166
Total Office of the Governor		21,166
Department of Family Protective Services		
Project HOPES	24125747	2,063,170
Total Department of Family Protective Services		2,063,170
Total State Expenditures		$ 2,755,651

THE SAFE ALLIANCE
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
15 MONTHS ENDED MARCH 31, 2018

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 are presented on the accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of Uniform Guidance and the 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.

	15 Months ended March 31, 2018
Total federal expenditures reported on the SEFA	$ 5,188,961
Total state expenditures	2,755,651
Total Federal and State Agencies grants and contracts reported on the statement of activities and changes in net assets	$ 7,944,612

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 (VOCA), Emergency Shelter Grants Program, Outreach and Services to Underserved Populations, FVPSA - Safe and Nurturing Families, Children's Justice Act Grant, and Project HOPES.

Note 4 - Subrecipients

The SAFE Alliance provided federal and state awards to subrecipients:

		15 Months ended March 31, 2018		
Name	CFDA #	Name	Federal	State
Disability Rights Texas	16.529	DOJ OVAW4 Disability	$ 22,087	$ -
Austin Police Department	16.590	DOJ OVW GTEA	4,591	-
Travis County District	16.590	DOJ OVW GTEA	79,694	-
Foundation Communities	16.736	DOJ OVW THA2	87,944	-
Con MI MADRE	16.888	DOJ OVW Youth	48,016	-
African American Yth Hrvst Fnd	16.888	DOJ OVW Youth	38,606	-
AFSSA	93.592	DHHS FVPSA	62,500	-
Family Crisis Center-Bastrop	93.592	DHHS FVPSA	56,572	-
Hays-Caldwell Women's Center	93.592	DHHS FVPSA	49,484	-
Any Baby Can	n/a	DFPS -Project Hope	-	491,047
Easter Seals of Central Texas	n/a	DFPS -Project Hope	-	147,880
United Way Greater Austin	n/a	DFPS -Project Hope	-	85,507
CommunitySync	n/a	DFPS -Project Hope	-	15,232
Totals			$ 449,494	$ 739,666

THE SAFE ALLIANCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
15 MONTHS ENDED MARCH 31, 2018

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: 14.267 Continuum of Care Program
CFDA: 16.888 Consolidated Grant Program to Address Children and Youth Experiencing Domestic and Sexual Assault

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

II. Financial Statement Findings

None

III. Findings and Questioned Costs for Federal and State Awards

None

THE SAFE ALLIANCE
CORRECTIVE ACTION PLAN
15 MONTHS ENDED MARCH 31, 2018

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

THE SAFE ALLIANCE
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
15 MONTHS ENDED MARCH 31, 2018

No prior year findings noted.