



SHE IS SAFE, INC.

Financial Statements
With Independent Auditors' Report

June 30, 2018 and 2017

SHE IS SAFE, INC.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
She Is Safe, Inc.
Roswell, Georgia

We have audited the accompanying financial statements of She Is Safe, Inc. (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Board of Directors
She Is Safe, Inc.
Roswell, Georgia

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of She Is Safe, Inc. as of June 30, 2018 and 2017, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Capin Crouse LLP

Lawrenceville, Georgia
October 5, 2018

SHE IS SAFE, INC.

Statements of Financial Position

	June 30,	
	<u>2018</u>	<u>2017</u>
ASSETS:		
Cash and cash equivalents	\$ 516,817	\$ 264,579
Prepaid expenses and other assets	11,131	17,757
Furniture, fixtures, and equipment—net	<u>4,714</u>	<u>12,226</u>
Total Assets	<u>\$ 532,662</u>	<u>\$ 294,562</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	<u>\$ 14,463</u>	<u>\$ 17,796</u>
Net assets:		
Unrestricted:		
Undesignated	497,606	264,540
Equity in furniture, fixtures, and equipment	<u>4,714</u>	<u>12,226</u>
	<u>502,320</u>	<u>276,766</u>
Temporarily restricted—projects	<u>15,879</u>	<u>-</u>
	<u>518,199</u>	<u>276,766</u>
Total Liabilities and Net Assets	<u>\$ 532,662</u>	<u>\$ 294,562</u>

See notes to financial statements

SHE IS SAFE, INC.

Statements of Activities

	Year Ended June 30,					
	2018			2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:						
Contributions	\$ 852,236	\$ 817,913	\$ 1,670,149	\$ 706,547	\$ 713,811	\$ 1,420,358
Other income	1,660	-	1,660	2,562	-	2,562
Total Support and Revenue	853,896	817,913	1,671,809	709,109	713,811	1,422,920
RECLASSIFICATIONS:						
Net assets released by satisfaction of purpose restriction and administrative assessments	802,034	(802,034)	-	758,949	(758,949)	-
EXPENSES:						
Program activities	1,147,868	-	1,147,868	1,199,428	-	1,199,428
Management and general	171,547	-	171,547	138,323	-	138,323
Fund-raising activities	110,961	-	110,961	163,769	-	163,769
Total Expenses	1,430,376	-	1,430,376	1,501,520	-	1,501,520
Change in Net Assets	225,554	15,879	241,433	(33,462)	(45,138)	(78,600)
Net Assets, Beginning of Year	276,766	-	276,766	310,228	45,138	355,366
Net Assets, End of Year	\$ 502,320	\$ 15,879	\$ 518,199	\$ 276,766	\$ -	\$ 276,766

See notes to financial statements

SHE IS SAFE, INC.

Statements of Cash Flows

	Year Ended June 30,	
	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 241,433	\$ (78,600)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	11,260	12,973
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	6,626	(2,504)
Accounts payable and accrued expenses	(3,333)	(3,410)
Net Cash Provided (Used) by Operating Activities	<u>255,986</u>	<u>(71,541)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of furniture, fixtures, and equipment	<u>(3,748)</u>	<u>(8,542)</u>
Net Change in Cash and Cash Equivalents	252,238	(80,083)
Cash and Cash Equivalents, Beginning of Year	<u>264,579</u>	<u>344,662</u>
Cash and Cash Equivalents, End of Year	<u>\$ 516,817</u>	<u>\$ 264,579</u>

See notes to financial statements

SHE IS SAFE, INC.

Notes to Financial Statements

June 30, 2018 and 2017

1. NATURE OF ORGANIZATION:

She Is Safe, Inc. (the Organization) is incorporated in Georgia and is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code (Code). The Organization is classified as a publicly supported organization rather than a private foundation under section 509(a) of the Code. Contributions to the Organization are deductible for income tax purposes.

Our founder, Michele Rickett, served in East Africa alongside her husband, Daniel, where she saw firsthand the abuse and selling of women and girls. The vision was born to create a way to share with others about violence against women and girls in the least-reached places of the world, to raise up advocates, and equip as many women and girls as possible to build a stronger, freer future in Christ for generations to come. Once back in the U.S. in 1995, Michele began speaking and writing about God's heart and interventions for women and girls. The organization was established and granted IRS recognition in October 2002.

She Is Safe's vision is to see every least-reached girl safe, free, and equipped to become the women God created them to be. The ministry grows programs of prevention, rescue, and restoration by partnering with the indigenous church or Christian non-government organizations, equipping local women for a lifetime of service.

We focus on high-risk communities notorious for human trafficking, explore to identify potential local partners, envision and establish goals together, provide training, curriculum and other resources, then evaluate and report back to supporters.

She Is Safe lays heavy emphasis on prevention because it is saves untold heartache, is cost-effective and transformative, diverting victims and their families from vulnerability to self-sustainability and joy in Christ. Where it costs many thousands of dollars to restore a broken life, it costs a few hundred to equip someone to be far less vulnerable to abuse and slavery, guiding them to invest back into the safety and new life of others.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Organization have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

SHE IS SAFE, INC.

Notes to Financial Statements

June 30, 2018 and 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include checking accounts and investment company money market funds. The Organization maintains its cash and cash equivalents in bank deposit accounts and in investment company money market funds which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash and cash equivalents. The uninsured amount as of June 30, 2018 and 2017, was \$275,908 and \$15,133, respectively.

PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets consist of prepaid insurance, prepaid rent, and other assets.

FURNITURE, FIXTURES, AND EQUIPMENT—NET

Items capitalized as furniture, fixtures, and equipment are stated at cost or, if donated, at market value on the date of donation. The Organization generally capitalizes and reports furniture, fixtures, and equipment acquisitions in excess of \$500. Expenditures for repairs and maintenance are charged to expense as incurred, and additions and improvements that significantly extend the lives of assets are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from seven to ten years.

CLASSES OF NET ASSETS

The financial statements report amounts separately by class of net assets:

Unrestricted amounts are currently available at the discretion of the board for use in operations. Equity in furniture, fixtures, and equipment represent amounts invested in property and equipment net of accumulated depreciation.

Temporarily restricted amounts are stipulated by donors for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled.

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of donated assets is transferred to the Organization.

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as reclassifications.

SHE IS SAFE, INC.

Notes to Financial Statements

June 30, 2018 and 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES, continued

Temporarily restricted contributions are subject to assessments of 15%, which are used for general and administrative expenses. Staff-raised support is subject to assessments of 5%. Assessments are classified as unrestricted at the time the temporarily restricted contributions are received. Assessments totaled \$93,299 and \$73,298 for the years ended June 30, 2018 and 2017, respectively.

The Organization reports donations of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Noncash gifts received are recorded as support at its estimated fair value at the date of donation. Related costs are expensed in the year incurred.

Expenses are reported when costs are incurred in accordance with the accrual basis of accounting. The costs of providing the various program services and supporting activities of the Organization have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

3. FURNITURE, FIXTURES, AND EQUIPMENT—NET:

Furniture, fixtures, and equipment—net consist of the following:

	June 30,	
	2018	2017
Furniture and fixtures	\$ 25,189	\$ 25,189
Equipment	64,723	60,975
	89,912	86,164
Less accumulated depreciation	(85,198)	(73,938)
	<u>\$ 4,714</u>	<u>\$ 12,226</u>

SHE IS SAFE, INC.

Notes to Financial Statements

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4. **FUNCTIONAL EXPENSES:**

Expenses are reported on the functional basis in the statements of activities. Accordingly, the natural classification of expenses have been allocated among program services and the supporting activities benefited.

	Year Ended June 30, 2018			
	Program Activities	Management and General	Fund-raising Activities	Total
Salaries and benefits	\$ 526,895	\$ 104,996	\$ 75,383	\$ 707,274
Professional and contract services	35,180	17,738	8,066	60,984
Travel	67,650	205	1,573	69,428
Occupancy	33,401	26,194	2,750	62,345
Events, printing, and mailing	45,315	6,876	16,571	68,762
Program transfers	396,300	-	-	396,300
Office expenses and other	43,127	15,538	6,618	65,283
	\$ 1,147,868	\$ 171,547	\$ 110,961	\$ 1,430,376

	Year Ended June 30, 2017			
	Program Activities	Management and General	Fund-raising Activities	Total
Salaries and benefits	\$ 579,940	\$ 62,960	\$ 108,621	\$ 751,521
Professional and contract services	34,748	23,210	28,288	86,246
Travel	67,213	845	1,562	69,620
Occupancy	32,032	27,281	2,643	61,956
Events, printing, and mailing	44,517	6,812	16,787	68,116
Program transfers	388,246	-	-	388,246
Office expenses and other	52,732	17,215	5,868	75,815
	\$ 1,199,428	\$ 138,323	\$ 163,769	\$ 1,501,520

SHE IS SAFE, INC.

Notes to Financial Statements

June 30, 2018 and 2017

5. OPERATING LEASES:

The Organization leases office space under a non-cancellable operating lease agreement, maturing in 2019. Total rent expense for the years ended June 30, 2018 and 2017, was \$47,175 and \$45,114, respectively. Future minimum lease payments as of June 30, 2018 totaling \$48,748 are expected to be incurred during the year ending June 30, 2019.

6. CONSULTING, COMMUNICATIONS AND DEVELOPMENT SERVICES

Effective August 2018, the Organization entered into a consulting, communications, and development services agreement (the Agreement). Per the Agreement, a third party will provide consulting, marketing, and direct-mail services on behalf of the Organization. For the services provided under this Agreement, the Organization agrees to pay the third party \$97,000. Either party may terminate the Agreement by giving the other party written notice thereof at least sixty days prior to the effective date of termination.

7. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through October 5, 2018, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.