



SHE IS SAFE, INC.

Financial Statements
With Independent Auditors' Report

June 30, 2017 and 2016

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, 2017 and 2016, 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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, 2017 and 2016, 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 26, 2017

SHE IS SAFE, INC.

Statements of Financial Position

	June 30,	
	<u>2017</u>	<u>2016</u>
ASSETS:		
Cash and cash equivalents	\$ 264,579	\$ 344,662
Prepaid expenses and other assets	17,757	15,253
Furniture, fixtures, and equipment–net	<u>12,226</u>	<u>16,657</u>
Total Assets	<u>\$ 294,562</u>	<u>\$ 376,572</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	<u>\$ 17,796</u>	<u>\$ 21,206</u>
Net assets:		
Unrestricted:		
Undesignated	264,540	293,571
Equity in furniture, fixtures, and equipment	<u>12,226</u>	<u>16,657</u>
	<u>276,766</u>	<u>310,228</u>
Temporarily restricted–projects	<u>-</u>	<u>45,138</u>
	<u>276,766</u>	<u>355,366</u>
Total Liabilities and Net Assets	<u>\$ 294,562</u>	<u>\$ 376,572</u>

See notes to financial statements

SHE IS SAFE, INC.

Statements of Activities

Year Ended June 30,

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	
SUPPORT AND REVENUE:						
Contributions	\$ 706,547	\$ 713,811	\$ 1,420,358	\$ 671,558	\$ 661,090	\$ 1,332,648
Other income	2,562	-	2,562	2,863	-	-
Total Support and Revenue	709,109	713,811	1,422,920	674,421	661,090	1,335,511
RECLASSIFICATIONS:						
Net assets released by satisfaction of purpose restriction and administrative assessments	758,949	(758,949)	-	766,343	(766,343)	
EXPENSES:						
Program services	1,199,428	-	1,199,428	1,223,238	-	
Supporting activities:						
Management and general	138,323	-	138,323	131,536	-	
Fund-raising	163,769	-	163,769	79,485	-	
	302,092	-	302,092	211,021	-	
Total Expenses	1,501,520	-	1,501,520	1,434,259	-	
Change in Net Assets	(33,462)	(45,138)	(78,600)	6,505	(105,253)	(98,748)
Net Assets, Beginning of Year	310,228	45,138	355,366	303,723	150,391	454,114
Net Assets, End of Year	\$ 276,766	\$ -	\$ 276,766	\$ 310,228	\$ 45,138	\$ 355,366

See notes to financial statements

SHE IS SAFE, INC.

Statements of Cash Flows

	Year Ended June 30,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (78,600)	\$ (98,748)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	12,973	11,803
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(2,504)	(6,463)
Accounts payable and accrued expenses	(3,410)	(3,892)
Net Cash Used by Operating Activities	<u>(71,541)</u>	<u>(97,300)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of furniture, fixtures, and equipment	(8,542)	(17,764)
Net Cash Used by Investing Activities	<u>(8,542)</u>	<u>(17,764)</u>
Net Change in Cash and Cash Equivalents	(80,083)	(115,064)
Cash and Cash Equivalents, Beginning of Year	<u>344,662</u>	<u>459,726</u>
Cash and Cash Equivalents, End of Year	<u>\$ 264,579</u>	<u>\$ 344,662</u>

See notes to financial statements

SHE IS SAFE, INC.

Notes to Financial Statements

June 30, 2017 and 2016

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 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, 2017 and 2016

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.

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, 2017 and 2016

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 \$73,298 and \$62,035 for the years ended June 30, 2017 and 2016, 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,	
	2017	2016
Furniture and fixtures	\$ 25,189	\$ 22,245
Equipment	60,975	55,377
	86,164	77,622
Less accumulated depreciation	(73,938)	(60,965)
	\$ 12,226	\$ 16,657

SHE IS SAFE, INC.

Notes to Financial Statements

June 30, 2017 and 2016

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, 2017			
	Program Services	Management and General	Fund-raising	
Payroll	\$ 579,940	\$ 62,960	\$ 108,621	\$ 751,521
Professional fees	13,320	13,320	26,640	53,280
Travel	67,213	845	1,562	69,620
Occupancy	29,324	13,534	2,256	45,114
Telephone	2,708	774	387	3,869
Depreciation expense	-	12,973	-	
Postage and mailing	14,944	2,299	5,748	22,991
Miscellaneous	2,478	1,883	314	4,675
Training and conferences	3,387	484	968	4,839
Associates and volunteers	10,524	-		-
Overseas fund transfer	388,246	-		-
Office expenses	3,703	1,709	285	5,697
Printing	26,186	4,029	10,071	40,286
Contract services	21,428	9,890	1,648	32,966
Merchant and bank fees	8,585	3,962	660	13,207
Equipment lease	2,772	1,279	213	4,264
Tech software and equipment	9,512	4,390	732	14,634
Web hosting	1,115	318	159	1,592
Membership fees	3,477	1,337	535	5,349
Travel and meeting expense	7,071	1,088	2,720	10,879
Insurance	3,495	1,249	250	4,994
	\$ 1,199,428	\$ 138,323	\$ 163,769	\$ 1,501,520

SHE IS SAFE, INC.

Notes to Financial Statements

June 30, 2017 and 2016

4. FUNCTIONAL EXPENSES, continued:

	Year Ended June 30, 2016			
	Program Services	Management and General		Fund-raising
Payroll	\$ 610,926	\$ 55,604	\$ 49,512	\$ 716,042
Professional fees	13,446	9,364	1,201	24,011
Travel	79,600	1,317	1,317	82,234
Occupancy	18,283	12,188	-	
Telephone	5,088	1,454	727	7,269
Depreciation expense	-	11,803	-	
Postage and mailing	10,692	2,294	4,990	17,976
Miscellaneous	3,150	534	-	
Training and conferences	7,642	-	3,275	
Associates and volunteers	7,390	-		-
Overseas fund transfer	365,404	-		-
Office expenses	9,735	4,867	1,622	16,224
Printing	24,763	3,810	9,524	38,097
Contract services	38,053	17,563	2,927	58,543
Merchant and bank fees	8,368	3,862	644	12,874
Equipment lease	2,367	1,092	182	3,641
Tech software and equipment	4,349	2,007	335	6,691
Web hosting	1,622	463	232	2,317
Membership fees	3,348	1,288	515	5,151
Travel and meeting expense	5,867	903	2,257	9,027
Insurance	3,145	1,123	225	4,493
	\$ 1,223,238	\$ 131,536	\$ 79,485	\$ 1,434,259

SHE IS SAFE, INC.

Notes to Financial Statements

June 30, 2017 and 2016

5. OPERATING LEASES:

The Organization leases certain equipment and office space under two non-cancellable operating lease agreements, maturing in 2019. Total rent expense for the years ended June 30, 2017 and 2016, was \$45,114 and \$32,415, respectively.

Future minimum lease payments under non-cancelable operating leases (with initial or remaining lease terms in excess of one year) as of June 30, 2017, are as follows:

Years Ending June 30,	Amounts
2018	\$ 47,096
2019	48,748
	\$ 95,844

6. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through October 26, 2017, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.