



SHE IS SAFE, INC.

Financial Statements
With Independent Auditors' Report

June 30, 2016 and 2015

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. (SIS), which comprise the statements of financial position as of June 30, 2016 and 2015, 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, 2016 and 2015, 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

Atlanta, Georgia
October 7, 2016

SHE IS SAFE, INC.

Statements of Financial Position

	June 30,	
	<u>2016</u>	<u>2015</u>
ASSETS:		
Cash and cash equivalents	\$ 344,662	\$ 459,726
Prepaid expenses and other assets	15,253	8,790
Furniture, fixtures, and equipment—net	<u>16,657</u>	<u>10,696</u>
Total Assets	<u>\$ 376,572</u>	<u>\$ 479,212</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	<u>\$ 21,206</u>	<u>\$ 25,098</u>
Net assets:		
Unrestricted	310,228	303,723
Temporarily restricted—projects	<u>45,138</u>	<u>150,391</u>
	<u>355,366</u>	<u>454,114</u>
Total Liabilities and Net Assets	<u>\$ 376,572</u>	<u>\$ 479,212</u>

See notes to financial statements

SHE IS SAFE, INC.

Statements of Activities

	Year Ended June 30,					
	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:						
Contributions	\$ 671,558	\$ 661,090	\$ 1,332,648	\$ 549,480	\$ 851,456	\$ 1,400,936
Other income	2,863	-	2,863	305	-	305
Total Support and Revenue	674,421	661,090	1,335,511	549,785	851,456	1,401,241
RECLASSIFICATIONS:						
Net assets released by satisfaction of purpose restriction and administrative assessments	766,343	(766,343)	-	873,960	(873,960)	-
EXPENSES:						
Program services	1,178,952	-	1,178,952	1,179,467	-	1,179,467
Supporting activities:						
Management and general	141,426	-	141,426	119,095	-	119,095
Fund-raising	113,881	-	113,881	77,814	-	77,814
	255,307	-	255,307	196,909	-	196,909
Total Expenses	1,434,259	-	1,434,259	1,376,376	-	1,376,376
Change in Net Assets	6,505	(105,253)	(98,748)	47,369	(22,504)	24,865
Net Assets, Beginning of Year	303,723	150,391	454,114	256,354	172,895	429,249
Net Assets, End of Year	\$ 310,228	\$ 45,138	\$ 355,366	\$ 303,723	\$ 150,391	\$ 454,114

See notes to financial statements

SHE IS SAFE, INC.

Statements of Cash Flows

	Year Ended June 30,	
	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (98,748)	\$ 24,865
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	11,803	8,598
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(6,463)	6,051
Accounts payable and accrued expenses	(3,892)	12,333
Net Cash Provided (Used) by Operating Activities	<u>(97,300)</u>	<u>51,847</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of furniture, fixtures, and equipment	<u>(17,764)</u>	<u>(3,252)</u>
Net Cash Used by Investing Activities	<u>(17,764)</u>	<u>(3,252)</u>
Net Change in Cash and Cash Equivalents	(115,064)	48,595
Cash and Cash Equivalents, Beginning of Year	<u>459,726</u>	<u>411,131</u>
Cash and Cash Equivalents, End of Year	<u>\$ 344,662</u>	<u>\$ 459,726</u>

See notes to financial statements

SHE IS SAFE, INC.

Notes to Financial Statements

June 30, 2016 and 2015

1. NATURE OF ORGANIZATION:

She Is Safe, Inc. (Mission or SIS) is incorporated in Georgia and is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code (Code). The Mission is classified as a publicly supported organization rather than a private foundation under section 509(a)(1) of the Code. Contributions to the Mission are deductible for income tax purposes.

Our founder, Michele Rickett, served in East Africa alongside her husband, Daniel, where she saw firsthand the disproportionate abuse and slavery of women and girls. From those experiences Michele's vision was born. She sought to create a way to share with others about the extreme challenges for women and girls in the hardest places of the world, to raise advocates, and equip as many women and girls as possible to build a stronger, freer future for generations to come. A prayer group of women began in 1995. The group, known as Sisters In Service, formed a nonprofit with the same name in October 2002. In early 2011, as both men and women joined SIS, the name was changed to She Is Safe, Inc. to further embody its mission.

She Is Safe's goal is to see every girl and every woman in high risk and least reached places safe to grow and thrive: body, mind, and spirit. SIS works to prevent, rescue, and restore women and girls from suffering abuse and exploitation, and build lives of freedom and faith for a strong future.

Around the world, SIS intervenes through practical grassroots programs of rescue, education, economic empowerment, and spiritual development.

In the U.S., SIS compiles, organizes, and publishes research to educate people about the hard-hitting issues facing least-reached women and girls such as child marriage, malnutrition, illiteracy, sexual abuse, and exploitation. The SIS Advocacy Program trains and deploys volunteers across the nation as passionate advocates and intercessors for our best practice interventions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Mission 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.

RECLASSIFICATIONS

Certain information from the prior year financial statements has been reclassified to conform to the current year presentation format.

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, 2016 and 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include checking accounts. The Mission 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 Mission has not experienced any losses in such accounts. The Mission 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

Furniture, fixtures, equipment exceeding \$500 are capitalized at cost. Donated items are recorded at fair market value on the date of the gift. Depreciation is computed using the straight-line method based upon the estimated useful lives of the assets ranging from seven to ten years.

NET ASSETS

Net assets are reported as follows:

Unrestricted net assets are currently available for ministry purposes under the direction of the board or resources invested in property and equipment.

Temporarily restricted net assets are stipulated by donors for use within SIS's mission or with time restriction.

SUPPORT, RECLASSIFICATIONS, AND EXPENSES

Contributions are recorded when cash is received or ownership of donated assets is transferred to the Mission. Noncash gifts received are recorded as support at the estimated fair market value on the date of the gift. Related costs are expensed in the year incurred.

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 net assets released from restrictions. 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 \$62,035 and \$90,076 for the years ended June 30, 2016 and 2015, respectively.

The costs of providing the various program services and supporting activities 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.

SHE IS SAFE, INC.

Notes to Financial Statements

June 30, 2016 and 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

UNCERTAIN TAX POSITIONS

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the statements of activities. As of June 30, 2016 and 2015, the Mission had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

The Mission files information tax returns in the U.S. and various states. The Mission is generally no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2013.

3. FURNITURE, FIXTURES, AND EQUIPMENT—NET:

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

	June 30,	
	2016	2015
Furniture and fixtures	\$ 22,245	\$ 20,931
Equipment	55,377	51,067
	77,622	71,998
Less accumulated depreciation	(60,965)	(61,302)
	<u>\$ 16,657</u>	<u>\$ 10,696</u>

SHE IS SAFE, INC.

Notes to Financial Statements

June 30, 2016 and 2015

4. SCHEDULE OF 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, 2016			
	Program Services	Management and General	Fund-raising	Total
Payroll	\$ 569,435	\$ 55,610	\$ 90,795	\$ 715,840
Professional fees	18,272	12,725	1,631	32,628
Travel	83,363	1,317	1,317	85,997
Occupancy	18,283	12,188	-	30,471
Telephone	5,088	1,454	727	7,269
Depreciation expense	-	11,803	-	11,803
Postage and mailing	10,692	2,294	4,990	17,976
Miscellaneous	58,885	35,358	-	94,243
Training and conferences	7,642	-	3,275	10,917
Associates and volunteers	7,390	-	-	7,390
Overseas fund transfer	365,404	-	-	365,404
Office expenses	9,735	4,867	1,622	16,224
Printing	24,763	3,810	9,524	38,097
	\$ 1,178,952	\$ 141,426	\$ 113,881	\$ 1,434,259
	Year Ended June 30, 2015			
	Program Services	Management and General	Fund-raising	Total
Payroll	\$ 503,819	\$ 45,634	\$ 52,773	\$ 602,226
Professional fees	28,256	19,678	2,523	50,457
Travel	94,291	11,321	2,127	107,739
Occupancy	18,021	12,014	-	30,035
Telephone	5,657	1,616	808	8,081
Depreciation expense	-	8,598	-	8,598
Postage and mailing	16,771	3,145	7,215	27,131
Miscellaneous	20,008	11,748	-	31,756
Training and conferences	8,602	-	3,686	12,288
Associates and volunteers	8,064	-	-	8,064
Overseas fund transfer	450,963	-	-	450,963
Office expenses	4,312	2,156	719	7,187
Printing	20,703	3,185	7,963	31,851
	\$ 1,179,467	\$ 119,095	\$ 77,814	\$ 1,376,376

SHE IS SAFE, INC.

Notes to Financial Statements

June 30, 2016 and 2015

5. LEASES:

The Mission has two noncancellable operating lease agreements, maturing in 2019. Total rent expense for the years ended June 30, 2016 and 2015, was \$32,415 and \$30,035, respectively.

Future minimum lease payments under the operating lease are:

<u>Year Ending June 30,</u>	<u>Amounts</u>
2017	\$ 47,096
2018	49,119
2019	<u>48,748</u>
	<u>\$ 144,963</u>

6. SUBSEQUENT EVENTS:

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