



SHE IS SAFE, INC.

Financial Statements
With Independent Auditors' Report

June 30, 2022 and 2021

SHE IS SAFE, INC.

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INDEPENDENT AUDITORS' REPORT

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

Opinion

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, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of She Is Safe, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about She Is Safe, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 She Is Safe, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about She Is Safe, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Capin Crouse LLP

Lawrenceville, Georgia
November 16, 2022

SHE IS SAFE, INC.

Statements of Financial Position

| | June 30, | |
|----------------------------------------|-------------------|-------------------|
| | <u>2022</u> | <u>2021</u> |
| ASSETS: | | |
| Cash and cash equivalents | \$ 668,343 | \$ 798,946 |
| Investments | 100,833 | - |
| Government grants receivable | 142,150 | - |
| Prepaid expenses and other assets | 43,494 | 49,069 |
| Furniture, fixtures, and equipment—net | <u>43,042</u> | <u>28,102</u> |
| Total Assets | <u>\$ 997,862</u> | <u>\$ 876,117</u> |
| LIABILITIES AND NET ASSETS: | | |
| Liabilities: | | |
| Accounts payable and accrued expenses | <u>\$ 18,244</u> | <u>\$ 11,834</u> |
| Net assets: | | |
| Without donor restrictions | <u>979,618</u> | <u>864,283</u> |
| Total Liabilities and Net Assets | <u>\$ 997,862</u> | <u>\$ 876,117</u> |

See notes to financial statements

SHE IS SAFE, INC.

Statements of Activities

| | Year Ended June 30, | | | | | |
|------------------------------------------------------------------------------------------------------------------|-------------------------------|----------------------------|-------------------|-------------------------------|----------------------------|-------------------|
| | 2022 | | | 2021 | | |
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| SUPPORT AND REVENUE: | | | | | | |
| Contributions | \$ 1,217,183 | \$ 967,579 | \$ 2,184,762 | \$ 1,084,131 | \$ 859,002 | \$ 1,943,133 |
| Government grants | 142,150 | - | 142,150 | - | - | - |
| Other income | 3,379 | - | 3,379 | 1,425 | - | 1,425 |
| Total Support and Revenue | 1,362,712 | 967,579 | 2,330,291 | 1,085,556 | 859,002 | 1,944,558 |
| RECLASSIFICATIONS: | | | | | | |
| Net assets released from restrictions due to satisfaction of purpose restrictions and administrative assessments | 967,579 | (967,579) | - | 859,002 | (859,002) | - |
| EXPENSES: | | | | | | |
| Program services | 1,762,703 | - | 1,762,703 | 1,428,938 | - | 1,428,938 |
| Supporting activities: | | | | | | |
| General and administrative | 201,367 | - | 201,367 | 200,000 | - | 200,000 |
| Fundraising | 250,886 | - | 250,886 | 165,282 | - | 165,282 |
| | 452,253 | - | 452,253 | 365,282 | - | 365,282 |
| Total Expenses | 2,214,956 | - | 2,214,956 | 1,794,220 | - | 1,794,220 |
| Change in Net Assets | 115,335 | - | 115,335 | 150,338 | - | 150,338 |
| Net Assets, Beginning of Year | 864,283 | - | 864,283 | 713,945 | - | 713,945 |
| Net Assets, End of Year | \$ 979,618 | \$ - | \$ 979,618 | \$ 864,283 | \$ - | \$ 864,283 |

See notes to financial statements

SHE IS SAFE, INC.

Statements of Cash Flows

| | Year Ended June 30, | |
|----------------------------------------------------------------------------------------------------|---------------------|-------------------|
| | 2022 | 2021 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | \$ 115,335 | \$ 150,338 |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | |
| Depreciation | 16,012 | 13,412 |
| Gain on disposal of assets | (11,016) | - |
| Unrealized gain on investments | (833) | - |
| Changes in operating assets and liabilities: | | |
| Government grants receivable | (142,150) | - |
| Prepaid expenses and other assets | 5,575 | (12,617) |
| Accounts payable and accrued expenses | 6,410 | (3,142) |
| Net Cash Provided (Used) by Operating Activities | <u>(10,667)</u> | <u>147,991</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchases of investments | (100,000) | - |
| Purchases of furniture, fixtures, and equipment | (19,936) | (28,394) |
| Net Cash Used by Investing Activities | <u>(119,936)</u> | <u>(28,394)</u> |
| Net Change in Cash and Cash Equivalents | (130,603) | 119,597 |
| Cash and Cash Equivalents, Beginning of Year | <u>798,946</u> | <u>679,349</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 668,343</u> | <u>\$ 798,946</u> |

See notes to financial statements

SHE IS SAFE, INC.

Notes to Financial Statements

June 30, 2022 and 2021

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.

The 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.

The Organization's vision is to see every least-reached girl safe, free, and equipped to become the women God created them to be. The Organization 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.

The Organization focuses on high-risk communities notorious for human trafficking; exploration to identify potential local partners; envision and establish goals together; provide training, curriculum, and other resources; then evaluate and report back to supporters.

The Organization lays heavy emphasis on prevention because it saves untold heartache and 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.

In the U.S., the Organization compiles and publishes the latest information, stories, and research to educate people about the global cause of the abuse and slavery of women and girls. The She Is Safe Advocacy program raises up informed advocates and intercessors who speak on behalf of girls who dare not speak for themselves.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

SHE IS SAFE, INC.

Notes to Financial Statements

June 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

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.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash held in checking, certificate of deposit, money market accounts, and all other highly liquid accounts with original maturities of less than 90 days. While deposits may occasionally be in excess of federally insured limits, the Organization has not experienced any losses in such accounts, and management believes that it is not exposed to any significant credit risk on cash and cash equivalents. At June 30, 2022 and 2021, the Organization's cash balances exceeded federally insured limits by \$101,729 and \$325,191, respectively.

INVESTMENTS

Investments consist of a certificate of deposit with an original maturity of greater than 90 days. The certificate is held at cost plus accrued interest. Interest earned on the certificate of deposit is included in other income in the accompanying statements of activities.

GOVERNMENT GRANTS RECEIVABLE

Government grants receivable include a receivable for the amount of credit expected to be claimed under the Employee Retention Credit (ERC) which was established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Laws and regulations concerning government programs, including the ERC, are complex and subject to varying interpretation. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Organization's claim to the ERC, and it is not possible to determine the impact (if any) this would have upon the Organization. For the year ended June 30, 2022, the amount of receivable outstanding was \$142,150. Management fully expects the receivable to be collectible during the year ending June 30, 2023.

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 three to ten years.

SHE IS SAFE, INC.

Notes to Financial Statements

June 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CLASSES OF NET ASSETS

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

Net assets without donor restrictions are currently available at the discretion of the board for use in operations, designated by the board for other specific projects determined by the board, or invested in property and equipment net of accumulated depreciation.

Net assets with donor restrictions 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. For both years ended June 30, 2022 and 2021, the Organization did not have any net assets with donor restrictions.

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES

Revenue is recognized when earned and contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

The Organization reports gifts of cash and other assets as support and revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as reclassifications.

Contributions with donor restrictions are subject to assessments of 15%, which are used for general and administrative expenses. Assessments are reclassified as support without donor restrictions at the time the restricted support is received. Assessments totaled \$145,137 and \$128,850 for the years ended June 30, 2022 and 2021, respectively.

The Organization reports gifts of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. 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 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.

SHE IS SAFE, INC.

Notes to Financial Statements

June 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES, continued

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.

CONCENTRATION

During the years ended June 30, 2022 and 2021, the Organization received 12% and 5%, respectively, of total contributions from two and one donors, respectively. The Organization's operations and program activities could be impacted if these donor relationships were to be terminated and could not be replaced by new donors with comparable donations. The Organization believes these major donor relationships will be maintained.

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Organization's financial assets as of June 30, 2022 and 2021, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Organization considers general expenditures to be all expenditures related to its ongoing activities to achieve its mission and vision as well as the conduct of services undertaken to support those activities to be general expenditures.

| | June 30, | |
|----------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| | 2022 | 2021 |
| Financial assets, at year-end and available to meet cash needs for general expenditures within one year: | | |
| Cash and cash equivalents | \$ 668,343 | \$ 798,946 |
| Investments | 100,833 | - |
| | <u>\$ 769,176</u> | <u>\$ 798,946</u> |

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

SHE IS SAFE, INC.

Notes to Financial Statements

June 30, 2022 and 2021

4. FURNITURE, FIXTURES AND EQUIPMENT–NET:

Furniture, fixtures and equipment–net consists of the following:

| | June 30, | |
|-------------------------------|-----------|-----------|
| | 2022 | 2021 |
| Furniture and fixtures | \$ 31,323 | \$ 30,405 |
| Equipment | 73,398 | 80,623 |
| Leasehold improvements | 8,545 | 8,545 |
| | 113,266 | 119,573 |
| Less accumulated depreciation | (70,224) | (91,471) |
| | \$ 43,042 | \$ 28,102 |

5. EXPENSES BY BOTH NATURE AND FUNCTION:

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. These expenses include salaries and benefits and occupancy expenses. Salaries and benefits have been allocated based on employee time and effort. Occupancy expenses have been allocated based on an analysis of square footage.

Functional expenses by natural classification as of June 30, 2022:

| | Program Services | Supporting Activities | | Total Supporting Activities | Total |
|----------------------------------------------|---------------------|-------------------------------|-------------|-----------------------------------|--------------|
| | | General and Administrative | Fundraising | | |
| Salaries and benefits | \$ 814,314 | \$ 107,466 | \$ 97,744 | \$ 205,210 | \$ 1,019,524 |
| Professional and contract services | 89,320 | 31,798 | 57,174 | 88,972 | 178,292 |
| Travel | 77,183 | 6,988 | 4,982 | 11,970 | 89,153 |
| Occupancy | 49,396 | 6,398 | 5,883 | 12,281 | 61,677 |
| Conferences, meetings, and office expense | 100,464 | 41,969 | 8,760 | 50,729 | 151,193 |
| Grants to partners | 579,234 | - | - | - | 579,234 |
| Depreciation | 15,365 | 337 | 310 | 647 | 16,012 |
| Supplies and other | 37,427 | 6,411 | 76,033 | 82,444 | 119,871 |
| | \$ 1,762,703 | \$ 201,367 | \$ 250,886 | \$ 452,253 | \$ 2,214,956 |

SHE IS SAFE, INC.

Notes to Financial Statements

June 30, 2022 and 2021

5. EXPENSES BY BOTH NATURE AND FUNCTION, continued:

Functional expenses by natural classification as of June 30, 2021:

| | Supporting Activities | | | | Total |
|----------------------------------------------|-----------------------|-------------------------------|-------------|-----------------------------------|--------------|
| | Program Services | General and Administrative | Fundraising | Total Supporting Activities | |
| Salaries and benefits | \$ 705,607 | \$ 103,742 | \$ 97,368 | \$ 201,110 | \$ 906,717 |
| Professional and contract services | 29,310 | 32,338 | 35,783 | 68,121 | 97,431 |
| Travel | 12,628 | 6,565 | 2,512 | 9,077 | 21,705 |
| Occupancy | 44,833 | 6,392 | 6,138 | 12,530 | 57,363 |
| Conferences, meetings, and office expense | 90,363 | 44,480 | 12,211 | 56,691 | 147,054 |
| Grants to partners | 506,502 | - | - | - | 506,502 |
| Depreciation | 10,482 | 1,495 | 1,435 | 2,930 | 13,412 |
| Supplies and other | 29,213 | 4,988 | 9,835 | 14,823 | 44,036 |
| | \$ 1,428,938 | \$ 200,000 | \$ 165,282 | \$ 365,282 | \$ 1,794,220 |

6. OPERATING LEASES:

The Organization leases office space under a non-cancellable operating lease agreement, maturing in 2023. Total rent expense for the years ended June 30, 2022 and 2021, was \$52,523 and \$49,352, respectively. Future minimum lease payments under the non-cancelable operating lease (with initial or remaining lease terms in excess of one year) as of June 30, 2022, amounts to \$44,610 and is expected to be incurred during the year ending June 30, 2023.

7. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through November 16, 2022, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.