



SHE IS SAFE, INC.

Financial Statements
With Independent Auditors' Report

June 30, 2020 and 2019

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, 2020 and 2019, 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, 2020 and 2019, 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 30, 2020

SHE IS SAFE, INC.

Statements of Financial Position

	June 30,	
	<u>2020</u>	<u>2019</u>
ASSETS:		
Cash and cash equivalents	\$ 679,349	\$ 528,296
Prepaid expenses and other assets	36,452	33,013
Furniture, fixtures, and equipment—net	<u>13,120</u>	<u>12,522</u>
Total Assets	<u>\$ 728,921</u>	<u>\$ 573,831</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	<u>\$ 14,976</u>	<u>\$ 9,829</u>
Net assets:		
Without donor restrictions	<u>713,945</u>	<u>564,002</u>
Total Liabilities and Net Assets	<u>\$ 728,921</u>	<u>\$ 573,831</u>

See notes to financial statements

SHE IS SAFE, INC.

Statements of Activities

	Year Ended June 30,					
	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	\$ 1,128,512	\$ 766,033	\$ 1,894,545	\$ 816,230	\$ 728,908	\$ 1,545,138
Other income	4,484	-	4,484	1,590	-	1,590
Total Support and Revenue	1,132,996	766,033	1,899,029	817,820	728,908	1,546,728
RECLASSIFICATIONS:						
Net assets released from restrictions due to satisfaction of purpose restrictions and administrative assessments	766,033	(766,033)	-	744,787	(744,787)	-
EXPENSES:						
Program services	1,224,774	-	1,224,774	1,112,882	-	1,112,882
Supporting activities:						
General and administrative	231,809	-	231,809	184,596	-	184,596
Fundraising	292,503	-	292,503	203,447	-	203,447
	524,312	-	524,312	388,043	-	388,043
Total Expenses	1,749,086	-	1,749,086	1,500,925	-	1,500,925
Change in Net Assets	149,943	-	149,943	61,682	(15,879)	45,803
Net Assets, Beginning of Year	564,002	-	564,002	502,320	15,879	518,199
Net Assets, End of Year	\$ 713,945	\$ -	\$ 713,945	\$ 564,002	\$ -	\$ 564,002

See notes to financial statements

SHE IS SAFE, INC.

Statements of Cash Flows

	Year Ended June 30,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 149,943	\$ 45,803
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	17,328	12,579
Noncash contribution	(131,725)	-
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(3,439)	(21,882)
Accounts payable and accrued expenses	5,147	(4,634)
Net Cash Provided by Operating Activities	<u>37,254</u>	<u>31,866</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of furniture, fixtures, and equipment	<u>(17,926)</u>	<u>(20,387)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of note payable	<u>131,725</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	151,053	11,479
Cash and Cash Equivalents, Beginning of Year	<u>528,296</u>	<u>516,817</u>
Cash and Cash Equivalents, End of Year	<u>\$ 679,349</u>	<u>\$ 528,296</u>

See notes to financial statements

SHE IS SAFE, INC.

Notes to Financial Statements

June 30, 2020 and 2019

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.

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 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.

She Is Safe 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., She Is Safe 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. 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, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include checking accounts, certificates of deposits, and money market funds. Cash and cash equivalents are defined as short-term, highly liquid investments that are readily convertible to cash. The Organization maintains its cash and cash equivalents in bank deposit accounts and in 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. At June 30, 2020 and 2019, the Organization's cash balances exceeded federally insured limits by \$202,865 and \$78,882, respectively.

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:

Net assets without donor restrictions are currently available at the discretion of the board for use in operations.

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.

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.

SHE IS SAFE, INC.

Notes to Financial Statements

June 30, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES, continued

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 \$73,905 and \$76,833 for the years ended June 30, 2020 and 2019, 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 restricted support. 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.

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.

RECENTLY ISSUED ACCOUNTING STANDARD

In 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*. The Organization adopted the provisions of this new standard during the year ended June 30, 2020. The new standard applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. Adoption of this standard had no effect on change in net assets or net assets in total.

SHE IS SAFE, INC.

Notes to Financial Statements

June 30, 2020 and 2019

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Organization's financial assets as of June 30, 2020 and 2019, 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,	
	2020	2019
Financial assets, at year-end and available to meet cash needs for general expenditures within one year:		
Cash and cash equivalents	\$ 679,349	\$ 528,296

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.

4. FURNITURE, FIXTURES AND EQUIPMENT—NET:

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

	June 30,	
	2020	2019
Furniture and fixtures	\$ 26,013	\$ 25,189
Equipment	78,720	85,110
Leasehold improvements	6,850	-
	111,583	110,299
Less accumulated depreciation	(98,463)	(97,777)
	\$ 13,120	\$ 12,522

SHE IS SAFE, INC.

Notes to Financial Statements

June 30, 2020 and 2019

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, 2020:

	Supporting Activities				Total
	Program Services	General and Administrative	Fundraising	Total Supporting Activities	
Salaries and benefits	\$ 542,769	\$ 127,976	\$ 124,999	\$ 252,975	\$ 795,744
Professional and contract services	30,012	31,916	71,615	103,531	133,543
Travel	51,124	8,356	7,533	15,889	67,013
Occupancy	39,035	17,955	3,000	20,955	59,990
Conferences, meetings, and office expense	77,260	36,519	13,947	50,466	127,726
Grants to partners	448,836	-	-	-	448,836
Depreciation	12,129	2,599	2,599	5,198	17,327
Supplies and other	23,609	6,488	68,810	75,298	98,907
	\$ 1,224,774	\$ 231,809	\$ 292,503	\$ 524,312	\$ 1,749,086

SHE IS SAFE, INC.

Notes to Financial Statements

June 30, 2020 and 2019

5. EXPENSES BY BOTH NATURE AND FUNCTION, continued:

Functional expenses by natural classification as of June 30, 2019:

	Supporting Activities				Total
	Program Services	General and Administrative	Fundraising	Total Supporting Activities	
Salaries and benefits	\$ 462,288	\$ 96,630	\$ 87,275	\$ 183,905	\$ 646,193
Professional and contract services	52,413	35,467	35,924	71,391	123,804
Travel	81,996	4,198	13,947	18,145	100,141
Occupancy	34,718	15,551	2,848	18,399	53,117
Conferences, meetings, and office expense	58,209	8,592	19,115	27,707	85,916
Grants to partners	403,203	-	-	-	403,203
Depreciation	-	12,579	-	12,579	12,579
Supplies and other	20,055	11,579	44,338	55,917	75,972
	\$ 1,112,882	\$ 184,596	\$ 203,447	\$ 388,043	\$ 1,500,925

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, 2020 and 2019, was \$58,420 and \$49,231, 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, 2020 is as follows:

Years Ending June 30,	Amounts
2021	\$ 48,960
2022	51,408
2023	44,610
	\$ 144,978

SHE IS SAFE, INC.

Notes to Financial Statements

June 30, 2020 and 2019

7. **RISKS AND UNCERTAINTIES:**

In March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Organization for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve. As part of the response to the impact of COVID-19, the Organization applied for a Paycheck Protection Program (PPP) Loan, administered by the Small Business Administration (SBA), under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was signed into law in March 2020. The Organization was approved for a loan in the amount of approximately \$131,000. For the year ended June 30, 2020, in accordance with FASB ASC 958-605, the Organization has simultaneously recognized a noncash contribution with donor restrictions and a release for same amount in the accompanying statements of activities. Based on the provisions included in the CARES Act, the loan agreement provides for loan forgiveness up to the full amount of the loan provided the Organization overcomes (meets) certain loan stipulations.

8. **SUBSEQUENT EVENTS:**

Subsequent events have been evaluated through October 30, 2020, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.