SAFE ALLIANCE, INC.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

YEARS ENDED JUNE 30, 2017 AND 2016

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Safe Alliance, Inc.
Charlotte, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of Safe Alliance, Inc. (the "Agency"), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, cash flows, and functional expenses 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
Safe Alliance, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of June 30, 2017 and 2016, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
September 26, 2017

SAFE ALLIANCE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
Cash and Cash Equivalents	$ 881,911	$ 1,126,438
Beneficial Interest in Assets Held by Trustee	12,819	12,280
Accounts Receivable		
United Way Allocation	656,296	656,347
Grants and Pledges Receivable, Net	585,332	255,675
Capital Campaign Pledges Receivable, Net	50,000	139,330
Lotus Society Pledges Receivable, Net	141,623	115,516
Other	24,349	21,609
Prepaid Expenses	34,678	53,739
Property and Equipment, Net	5,632,332	5,980,894
Total Assets	$ 8,019,340	$ 8,361,828
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	$ 18,277	$ 6,288
Accrued Payroll and Benefits	84,910	77,452
Note Payable	491,040	491,040
Other Liabilities	27,650	14,925
Total Liabilities	621,877	589,705
NET ASSETS		
Unrestricted	6,373,146	6,680,146
Unrestricted - Board Appropriated for Operating Reserves	64,138	60,785
Temporarily Restricted	951,540	1,022,553
Permanently Restricted	8,639	8,639
Total Net Assets	7,397,463	7,772,123
Total Liabilities and Net Assets	$ 8,019,340	$ 8,361,828

See accompanying Notes to Financial Statements.

SAFE ALLIANCE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND OTHER SUPPORT				
Program Fees	$ 20,433	$ -	$ -	$ 20,433
Public Support				
United Way	26,057	656,301	-	682,358
Government	2,196,269	333,977	-	2,530,246
Other Contributions & Grants	445,662	261,732	-	707,394
Donated Goods and Services	355,614	-	-	355,614
Special Events, Net	392,161	-	-	392,161
Interest	-	-	-	-
Other Income, Net	9,390	(117)	-	9,273
Revenues and Other Support	3,445,586	1,251,893	-	4,697,479
Net Assets Released from Restrictions				
United Way	656,347	(656,347)	-	-
Government	333,977	(333,977)	-	-
Other Contributions & Grants	332,582	(332,582)	-	-
Total Net Assets Released from Restrictions	1,322,906	(1,322,906)	-	-
Total Revenues and Other Support	4,768,492	(71,013)	-	4,697,479
EXPENSES				
Program Services:				
Clinical Services	392,062	-	-	392,062
Victim Services	3,768,655	-	-	3,768,655
Total Program Services	4,160,717	-	-	4,160,717
Supporting Services:				
Administrative	444,841	-	-	444,841
Fundraising	466,581	-	-	466,581
Total Supporting Services	911,422	-	-	911,422
Total Expenses	5,072,139	-	-	5,072,139
CHANGE IN NET ASSETS	(303,647)	(71,013)	-	(374,660)
Net Assets - Beginning of Year	6,740,931	1,022,553	8,639	7,772,123
NET ASSETS - END OF YEAR	$ 6,437,284	$ 951,540	$ 8,639	$ 7,397,463

See accompanying Notes to Financial Statements.

SAFE ALLIANCE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND OTHER SUPPORT				
Program Fees	$ 55,622	$ -	$ -	$ 55,622
Public Support				
United Way	44,118	656,654	-	700,772
Government	1,927,434	332,109	-	2,259,543
Other Contributions & Grants	464,594	348,990	-	813,584
Donated Goods and Services	374,750	-	-	374,750
Special Events, Net	480,477	-	-	480,477
Interest	-	31	-	31
Other Income, Net	2,969	(885)	-	2,084
Revenues and Other Support	3,349,964	1,336,899	-	4,686,863
Net Assets Released from Restrictions				
United Way	723,487	(723,487)	-	-
Government	333,977	(333,977)	-	-
Other Contributions & Grants	206,235	(206,235)	-	-
Total Net Assets Released from Restrictions	1,263,699	(1,263,699)	-	-
Total Revenues and Other Support	4,613,663	73,200	-	4,686,863
EXPENSES				
Program Services:				
Clinical Services	627,924	-	-	627,924
Victim Services	3,583,364	-	-	3,583,364
Total Program Services	4,211,288	-	-	4,211,288
Supporting Services:				
Administrative	426,105	-	-	426,105
Fundraising	369,804	-	-	369,804
Total Supporting Services	795,909	-	-	795,909
Total Expenses	5,007,197	-	-	5,007,197
CHANGE IN NET ASSETS	(393,534)	73,200	-	(320,334)
Net Assets - Beginning of Year	7,134,465	949,353	8,639	8,092,457
NET ASSETS - END OF YEAR	$ 6,740,931	$ 1,022,553	$ 8,639	$ 7,772,123

See accompanying Notes to Financial Statements.

SAFE ALLIANCE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (374,660)	$ (320,334)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	407,960	407,288
Amortization of Issuance Costs	-	242
Loss on Disposal of Assets	-	154
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(269,123)	406,744
Prepaid Expenses	19,061	(11,850)
Beneficial Interest in Assets Held by Trustee	(539)	855
Accounts Payable	11,989	(12,463)
Accrued Payroll and Benefits	7,458	(27,466)
Other Liabilities	12,725	(3,633)
Net Cash Provided by (Used in) Operating Activities	(185,129)	439,537
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(59,398)	(12,661)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(244,527)	426,876
Cash and Cash Equivalents - Beginning of Year	1,126,438	699,562
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 881,911	$ 1,126,438
SUMMARY OF CASH AND CASH EQUIVALENTS		
Unrestricted	$ 757,635	$ 923,877
Temporarily Restricted	124,276	202,561
	$ 881,911	$ 1,126,438

See accompanying Notes to Financial Statements.

SAFE ALLIANCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017

	Clinical Services	Victim Services	Total Program Services	Administrative	Fundraising	Total
Salaries	$ 214,239	$ 1,842,114	$ 2,056,353	$ 123,750	$ 217,063	$ 2,397,166
Employee Benefits	15,695	400,056	415,751	31,481	45,041	492,273
Payroll Taxes	17,961	152,229	170,190	9,145	17,822	197,157
Total Salaries & Related Expenses	247,895	2,394,399	2,642,294	164,376	279,926	3,086,596
Contracted & Professional Services	20,304	144,174	164,478	241,214	44,392	450,084
Food, Printing, Office & Program Supplies	1,319	46,580	47,899	3,251	7,785	58,935
Telephone & Internet	1,931	24,358	26,289	-	946	27,235
Postage & Shipping	148	1,467	1,615	504	1,784	3,903
Rent & Utilities	57,446	177,174	234,620	14,206	61,851	310,677
Insurance	2,600	40,790	43,390	524	2,288	46,202
Equipment & Maintenance	1,229	73,332	74,561	1,310	3,498	79,369
Subscriptions & Publications	-	675	675	101	168	944
Travel, Training & Conferences	906	15,883	16,789	3,062	5,183	25,034
Dues	400	4,650	5,050	613	375	6,038
Financial Assistance	830	183,266	184,096	-	-	184,096
In-Kind	55,660	209,849	265,509	15,204	57,901	338,614
Interest	-	17,000	17,000	-	-	17,000
Miscellaneous Expense	1,394	27,143	28,537	431	484	29,452
Total Other Expenses	144,167	966,341	1,110,508	280,420	186,655	1,577,583
Total Expenses Before Depreciation and Amortization	392,062	3,360,740	3,752,802	444,796	466,581	4,664,179
Depreciation and Amortization	-	407,915	407,915	45	-	407,960
Total Expenses	$ 392,062	$ 3,768,655	$ 4,160,717	$ 444,841	$ 466,581	$ 5,072,139

See accompanying Notes to Financial Statements.

SAFE ALLIANCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016

	Clinical Services	Victim Services	Total Program Services	Administrative	Fundraising	Total
Salaries	$ 246,309	$ 1,752,414	$ 1,998,723	$ 120,000	$ 176,734	$ 2,295,457
Employee Benefits	31,298	374,120	405,418	26,685	37,320	469,423
Payroll Taxes	20,763	152,102	172,865	9,351	14,886	197,102
Total Salaries & Related Expenses	298,370	2,278,636	2,577,006	156,036	228,940	2,961,982
Contracted & Professional Services	59,764	143,387	203,151	236,432	35,834	475,417
Food, Printing, Office & Program Supplies	1,342	29,761	31,103	2,326	4,380	37,809
Telephone & Internet	14,950	34,900	49,850	-	921	50,771
Postage & Shipping	750	2,600	3,350	53	2,397	5,800
Rent & Utilities	146,035	169,447	315,482	9,920	42,502	367,904
Insurance	1,520	41,098	42,618	186	2,479	45,283
Equipment & Maintenance	7,474	73,091	80,565	1,322	3,743	85,630
Subscriptions & Publications	124	77	201	99	95	395
Travel, Training & Conferences	1,968	14,156	16,124	3,710	3,405	23,239
Dues	150	3,681	3,831	532	715	5,078
Financial Assistance	3,575	133,528	137,103	-	-	137,103
In-Kind	90,184	209,167	299,351	15,335	43,064	357,750
Interest	-	17,000	17,000	-	-	17,000
Miscellaneous Events	1,537	26,511	28,048	154	304	28,506
Total Other Expenses	329,373	898,404	1,227,777	270,069	139,839	1,637,685
Total Expenses Before Depreciation and Amortization	627,743	3,177,040	3,804,783	426,105	368,779	4,599,667
Depreciation and Amortization	181	406,324	406,505	-	1,025	407,530
Total Expenses	$ 627,924	$ 3,583,364	$ 4,211,288	$ 426,105	$ 369,804	$ 5,007,197

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION AND PURPOSE

Safe Alliance, Inc. (the "Agency") provides a continuum of crisis intervention, advocacy, shelter and counseling services to victims of domestic violence and sexual assault and their non-offending loved ones. Services are provided to those who live or work in Mecklenburg County in North Carolina. The Agency is a non-stock, nonprofit corporation exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. Program services are provided in the following areas:

Domestic Violence

- 24 hour domestic violence hotline
- Emergency shelter
- Domestic violence education and survivor support
- Individual and group counseling
- Free shelter medical clinic
- Domestic violence advocacy, safety planning and care management
- Individual court advocacy and legal representation and court accompaniment for those seeking domestic violence protective orders

Sexual Assault

- 24 hour rape crisis hotline
- 24 hour hospital response and hospital accompaniment
- Individual advocacy, safety planning and care management
- Support groups

Trauma Informed Mental Health Counseling

- Survivors of sexual assault

In fiscal year 2016, the Agency discontinued operation of its program and operations in Union and Cabarrus County. All expenses related to operations in Union and Cabarrus Counties were paid as of March 31, 2016. The Agency also narrowed the scope of its mental health counseling program and discontinued services to the broader population, instead focusing only on services for survivors of domestic and sexual violence. The Agency no longer accepts Medicaid or commercial insurance as payment for its mental health counseling services.

NOTE 2 ACCOUNTING POLICIES

The more significant accounting policies followed by the Agency are as follows:

Financial Statement Presentation

The accompanying financial statements are prepared on the accrual basis of accounting. The Agency reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Estimates

Management of the Agency has made a number of estimates and assumptions relating to reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with U.S. generally accepted accounting principles. Actual results could differ from those estimates.

Contributions and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are released to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Conditional promises to give are not included as support until such time as the conditions are substantially met or the likelihood of not meeting the conditions is deemed remote.

Amounts recorded as uncollectible public support include amounts previously recognized in temporarily restricted net assets upon allocation that were not utilized.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits and investment accounts with original maturities less than three months. The Agency maintains bank accounts at various financial institutions covered by the FDIC. At times throughout the year, the Agency may maintain bank account balances in excess of the FDIC insured limit. The Agency believes they are not exposed to any significant cash credit risk.

Beneficial Interests in Assets Held in Trust by Third Party

The Foundation for the Carolinas (the “Foundation”) holds in trust, accounts for the benefit of the Agency. The Agency may request annual distributions of accumulated income from these accounts. Recommendations for distribution of principal, as considered necessary by the Board of Directors of the Agency may be made to the Foundation. The Foundation has complete discretion as to the timing and amounts of distributions from these funds; however, the Foundation has no variance power to distribute any portion of these funds to another not-for-profit entity.

NOTE 2 ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable include accounts receivable generated through program services provided, unconditional pledges, and amounts due under various grants.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates. Amortization of the discounts is included in contribution revenue.

Property and Equipment

Purchased property and equipment with a value of $2,500 or more are carried at cost and donated assets are recorded at their fair market value at the date of the gift. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from three to forty years. Maintenance, repair costs and minor replacements are charged to expense as incurred. When assets are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any gain or loss is reflected in current operations.

Deferred Financing Costs

The Agency has adopted the accounting guidance in FASB Accounting Standards Update (ASU) No. 2015-03, *Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Cost*. ASU 2015-03 requires organizations to present debt issuance costs as a direct deduction from the face amount of the related borrowings, amortize debt issuance costs using the effective interest method over the life of the debt, and record the amortization as a component of interest expense. The effect of adopting the new standard decreased the debt liability by $8,960 as of July 1, 2016. The adoption of the standard had no effect on previously reported net assets. The ASU is retrospectively applied.

NOTE 2 ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets and related revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met by actions of the Agency and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that must be maintained by the Agency in perpetuity. Donors of these assets stipulate that all, or part of, the income earned on related investments be used for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets.

Functional Allocation of Expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among programs and supporting activities, primarily by budgeted full-time equivalents (FTEs).

Donated Goods and Services

Donated goods and services are reflected as contributions in the financial statements at their estimated value at the time of receipt. At June 30, 2017 and 2016, donated goods and services consisted primarily of office space rent received at a reduced rate, donated professional services, donated legal services for victims' assistance and imputed interest on an interest-free loan.

During the years ended June 30, 2017 and 2016, the Agency received occupancy rent credits in the amounts of approximately $198,000 and $187,000, respectively, from its landlord, Children and Family Service Center, Inc. (the "Center"). These credits are approved by the Center on an annual basis, and are recorded as in-kind revenue and expense in the period in which they are received. Because there are numerous factors used in determining the rental rates each period, the Agency is unable to estimate the amount of below market rent for future periods. Accordingly, no receivable has been recorded in the accompanying statements of financial position for below market rent.

In addition, volunteers, including officers and directors of the Agency, donate their time in program services and/or fundraising. No amount has been reflected in the financial statements for these services as they generally do not meet the criteria for revenue recognition.

NOTE 2 ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments

Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Agency has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

As of June 30, 2017 and 2016, the Beneficial Interest in Assets Held by Trustee was classified within the fair value hierarchy as a Level 3 financial instrument.

Income Taxes

The Agency follows the income tax standard for uncertain tax provisions. As a result of the implementation, the Agency has evaluated its tax position and management believes it has no uncertain tax positions as of June 30, 2017 or 2016.

The Agency is not aware of any activities that would jeopardize its tax-exempt status or any activities that are subject to tax on unrelated business income or excise or other taxes.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements, with no effect on previously reported change in net assets.

Subsequent Events

In preparing these financial statements, the Agency has evaluated events and transactions for potential recognition or disclosure through September 26, 2017, the date the financial statements were available to be issued.

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2017 and 2016 is summarized as follows:

	2017	2016
Land	$ 1,233,661	$ 1,233,661
Land Improvements	279,227	279,227
Furniture, Fixtures and Equipment	493,634	481,630
Leasehold Improvements	113,915	66,522
Computer Software	225,178	225,178
Building - New Domestic Violence Shelter	5,698,778	5,698,778
Vehicles	11,000	11,000
	8,055,393	7,995,996
Less: Accumulated Depreciation	(2,423,061)	(2,015,102)
	$ 5,632,332	$ 5,980,894

Total depreciation expense amounted to approximately $408,000 and $407,000 for the years ended June 30, 2017 and 2016, respectively.

NOTE 4 PLEDGES RECEIVABLE

During the year ended June 30, 2009, the Agency initiated a capital campaign to raise funds for a new Domestic Violence Shelter in Mecklenburg County. The Domestic Violence Shelter was opened during the year ended June 30, 2013. During the year ended June 30, 2014, the Agency initiated a new giving society called the Lotus Society. Net pledges receivable consisted of the following at June 30, 2017 and 2016:

	Capital Campaign	Lotus Society	Total 2017	2016
Due in Less than One Year	$ 51,000	$ 95,965	$ 146,965	$ 150,944
Due in Two to Five Years	-	56,318	56,318	115,719
	51,000	152,283	203,283	266,663
Less: Discount to Present Value	-	-	-	(672)
Less: Allowance for Uncollectible Pledges	(1,000)	(10,660)	(11,660)	(11,145)
Pledges Receivable, Net	$ 50,000	$ 141,623	$ 191,623	$ 254,846

During 2016, Management used a discount rate of .28% in calculating the discount on pledges receivable. No discount was taken during 2017.

NOTE 5 PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consisted of the following at June 30, 2017 and 2016:

	2017	2016
United Family Services Endowment	$ 1,479	$ 1,479
Domestic Violence Shelter	7,160	7,160
	$ 8,639	$ 8,639

Permanently restricted net assets consist of endowment fund assets to be held indefinitely by the Foundation for the Carolinas. The income from the assets may be used to support the Agency's program activities.

NOTE 6 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are restricted for the following purposes at June 30, 2017 and 2016:

	2017	2016
United Way Allocation for the Subsequent Year	$ 656,296	$ 656,347
Lotus Society	119,494	98,533
Grant Allocations for the Subsequent Year or Future Purpose	175,750	267,673
	$ 951,540	$ 1,022,553

NOTE 7 NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from restrictions for the years ended June 30, 2017 and 2016 are summarized as follows:

	2017	2016
Time and Purpose Restrictions:		
United Way	$ 656,347	$ 723,487
Contributions and Grants	666,559	540,212
Total Net Assets Released from Restrictions	$ 1,322,906	$ 1,263,699

NOTE 8 SPECIAL EVENTS, NET

Special events revenue and expenses consist of the following at June 30, 2017 and 2016:

	2017	2016
Art with Heart:		
Revenue	$ 227,108	$ 183,672
Expenses	151,499	109,056
Net Revenue	$ 75,609	$ 74,616
Annual Meeting:		
Revenue	$ 105,739	$ 164,295
Expenses	26,376	28,391
Net Revenue	$ 79,363	$ 135,904
Fighting for Women with Fashion:		
Revenue	$ 66,501	$ 69,056
Expenses	20,308	2,900
Net Revenue	$ 46,193	$ 66,156
Other:		
Revenue	$ 222,116	$ 252,830
Expenses	31,120	49,029
Net Revenue	$ 190,996	$ 203,801
Total:		
Revenue	$ 621,464	$ 669,853
Expenses	229,303	189,376
Net Revenue	$ 392,161	$ 480,477

Special events revenue is included in other contributions and grants in the accompanying statements of activities. The related expenses are included in special events and other fundraising in the accompanying statements of functional expenses.

NOTE 9 RETIREMENT PLANS

Defined Contribution Retirement Plan

The Agency has a 403(b) defined contribution plan for the benefit of its employees. Effective April 1, 2009, the Agency ceased employer matching payments to the 403(b) defined contribution plan. Effective August 1, 2009, the Agency ceased all payments to the 403(b) defined contribution plan and began making payments to the 401(k) established through the Shared Services Agreement described below. Management initiated the process of formally terminating the 403(b) defined contribution plan subsequent to the year ended June 30, 2016 and the process was completed on December 1, 2016.

NOTE 9 RETIREMENT PLANS (CONTINUED)

Defined Contribution Retirement Plan (Continued)

In August 2009, the Agency began participating in the CFSC Shared Services, LLC 401(k) plan, a defined contribution retirement savings plan which covers all full-time and part-time employees of the Agency who meet certain minimal eligibility requirements. The plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Each year, participants may contribute up to 85% of their annual compensation on a pre-tax basis beginning the first day of the quarter following date of hire. The Agency contributes a matching contribution of 100% of the first 1% of base compensation that a participant contributes and 50% of the next 5% that a participant contributes. The Agency's contributions to the plan for the fiscal years ended June 30, 2017 and 2016 were approximately $46,000 and $43,000, respectively.

NOTE 10 LEASES

The Agency receives free use of facilities for its Victim Assistance Program at the Mecklenburg County Courthouse on a month-to-month basis. The use of these facilities is recorded as an in-kind contribution and expense at estimated fair market value of approximately $23,400 for the years ended June 30, 2017 and 2016.

The Agency leases office space under a ten-year agreement with the Center, a nonprofit organization created to construct and maintain an office building (Carol Grotnes Belk Building (the “Building”)) to house Charlotte nonprofit agencies serving children and families in a central location at an affordable rate. The lease agreement also includes use of certain furniture, storage space, telephone system, computer equipment, and information technology and other collaborative services. In 2013 the lease was renewed for a ten-year period expiring on March 31, 2023. The lease is renewable for two additional ten-year periods, and a third period ending December 31, 2052. For the years ended June 30, 2017 and 2016, the lease agreement required monthly payments of approximately $20,400 and $20,000, respectively. Effective July 1, 2017 the lease agreement requires payments of approximately $21,000 per month, but may be changed at the Center’s discretion.

The Agency leases additional office space, in Cornelius, North Carolina.

NOTE 10 LEASES (CONTINUED)

Future minimum payments for all office and equipment leases as of June 30, 2017 are as follows:

Year Ending June 30:		
2018	$	251,753
2019		251,753
2020		251,753
2021		257,153
2022		251,753
Thereafter		440,568
	$	1,704,733

Rent expense under these agreements was approximately $244,000 and $265,000 for the years ended June 30, 2017 and 2016, respectively.

NOTE 11 NOTE PAYABLE AND LINE OF CREDIT

In March 2012, the Agency entered into a new promissory note and business loan agreement with a financial institution for a line of credit in the amount of $4.5 million, for the construction of the new Domestic Violence Shelter. Under the terms of the line of credit the Agency made monthly interest payments. All draws on the line of credit accrued interest at prime rate plus 0.15% with all unpaid principal and interest due December 31, 2014. As of December 2014 the Agency had repaid the entire balance and the line of credit was closed.

In July 2013, the Agency entered into a new promissory note with the North Carolina Housing Finance Agency in the amount of $500,000, to partially pay down the line of credit obtained in 2012. Under the terms of the agreement, the entire principal balance of the loan matures on August 1, 2033 and bears no interest. The Agency has the option of applying to the North Carolina Housing Finance Agency for a refinancing of the loan under similar terms. The Agency imputed interest of approximately $17,000 for both years ended June 30, 2017 and 2016. The interest amount was recorded as an in-kind interest expense, with corresponding in-kind revenue.

Interest expense for the years ended June 30, 2017 and 2016, was approximately $17,000.

NOTE 12 COLLABORATIVE SERVICES

The Agency participates in a collaboration agreement with the Center and several other nonprofit agencies located in the Building to share financial and human resource functions. The collaboration will continue through the termination of the Agency’s Center lease. If the Agency renews its Center lease, the collaboration agreement will be automatically extended for a period coterminous with the lease.

NOTE 13 CONCENTRATIONS

During both 2017 and 2016, the Agency received approximately 14% of total revenues, from United Way appropriations.