

YWCA NORTHEAST INDIANA, INC.

FINANCIAL STATEMENTS

Years Ended December 31, 2014 and 2013

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INDEPENDENT AUDITORS' REPORT

Board of Directors
YWCA Northeast Indiana, Inc.
Fort Wayne, Indiana

We have audited the accompanying financial statements of YWCA Northeast Indiana, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, functional expenses 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 controls 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 audits to obtain reasonable assurance about whether the financial statements are free of 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.

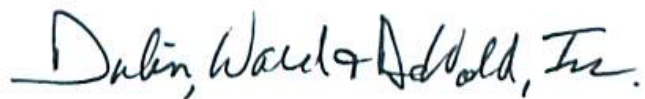
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YWCA Northeast Indiana, Inc. as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of government funds received on page 23 is presented for purposes of additional analysis as required by the Indiana State Board of Accounts and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Fort Wayne, Indiana
April 8, 2015

YWCA NORTHEAST INDIANA, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2014 and 2013

	2014	2013
ASSETS		
Cash	\$ 141,128	\$ 155,522
Claims receivable	50,702	33,568
Pledges receivable - net	446,882	577,011
Prepaid expenses	13,491	8,113
Investments	3,534,226	3,304,111
Beneficial interest	46,733	44,537
Cash restricted to investment in land, buildings and equipment	63,496	25,000
Land, buildings and equipment - net of accumulated depreciation	<u>592,598</u>	<u>584,338</u>
Total Assets	<u><u>\$ 4,889,256</u></u>	<u><u>\$ 4,732,200</u></u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 21,686	\$ 18,559
Accrued expenses	<u>70,216</u>	<u>56,133</u>
Total Liabilities	91,902	74,692
Net Assets:		
Unrestricted	2,546,654	3,135,547
Board designated	<u>1,000,000</u>	<u>-</u>
Total unrestricted	3,546,654	3,135,547
Temporarily restricted	970,575	1,241,836
Permanently restricted	<u>280,125</u>	<u>280,125</u>
Total Net Assets	<u><u>4,797,354</u></u>	<u><u>4,657,508</u></u>
Total Liabilities and Net Assets	<u><u>\$ 4,889,256</u></u>	<u><u>\$ 4,732,200</u></u>

The accompanying notes are an integral part of these financial statements.

YWCA NORTHEAST INDIANA, INC.
STATEMENTS OF ACTIVITIES
Year Ended December 31, 2014 and 2013

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
CHANGES IN NET ASSETS				
Support, Revenues and Gains:				
Contributions	\$ 251,493	\$ 328,316	\$ -	\$ 579,809
United Way	1,000	170,973	-	171,973
Government funding - federal	292,048	-	-	292,048
Special events:				
Proceeds	160,854	-	-	160,854
Less direct benefits to donors	(19,862)	-	-	(19,862)
Program service fees	3,793	-	-	3,793
Trust and estate distributions	57,877	-	-	57,877
Investment income	83,868	21,194	-	105,062
Gain on investments	162,726	9,311	-	172,037
Miscellaneous	3,400	-	-	3,400
Net Assets Released From Restrictions:				
Satisfaction of program requirements	434,936	(434,936)	-	-
Satisfaction of purchase requirements	101,569	(101,569)	-	-
Satisfaction of time requirements	264,550	(264,550)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Support, Revenues and Gains	1,798,252	(271,261)	-	1,526,991
Expenses:				
Program services:				
Shelter for Victims of Domestic Violence	676,247	-	-	676,247
Outreach	273,810	-	-	273,810
Racial Justice	12,682	-	-	12,682
Steps to Success	52,714	-	-	52,714
Education	84,860	-	-	84,860
	<hr/>	<hr/>	<hr/>	<hr/>
Total Program Services	1,100,313	-	-	1,100,313

(continued)

The accompanying notes are an integral part of these financial statements.

2013

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 185,258	\$ 858,510	\$ -	\$ 1,043,768
1,075	164,089	-	165,164
311,167	-	-	311,167
152,107	-	-	152,107
(15,154)	-	-	(15,154)
2,940	-	-	2,940
60,018	-	-	60,018
58,145	17,129	-	75,274
322,936	63,074	-	386,010
18,739	-	-	18,739
403,642	(403,642)	-	-
2,061	(2,061)	-	-
120,000	(120,000)	-	-
1,622,934	577,099	-	2,200,033
665,297	-	-	665,297
259,325	-	-	259,325
12,698	-	-	12,698
61,153	-	-	61,153
85,320	-	-	85,320
1,083,793	-	-	1,083,793

YWCA NORTHEAST INDIANA, INC.
STATEMENTS OF ACTIVITIES
Year Ended December 31, 2014 and 2013

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
(continued)				
Supporting services and other:				
Management and general	\$ 227,052	\$ -	\$ -	\$ 227,052
Fundraising	51,488	-	-	51,488
Regional YWCA affiliation dues	8,292	-	-	8,292
	<u>286,832</u>	<u>-</u>	<u>-</u>	<u>286,832</u>
Total Supporting Services and Other	<u>286,832</u>	<u>-</u>	<u>-</u>	<u>286,832</u>
Total Expenses	<u>1,387,145</u>	<u>-</u>	<u>-</u>	<u>1,387,145</u>
CHANGE IN NET ASSETS	411,107	(271,261)	-	139,846
NET ASSETS - beginning of year	<u>3,135,547</u>	<u>1,241,836</u>	<u>280,125</u>	<u>4,657,508</u>
NET ASSETS - end of year	<u><u>\$ 3,546,654</u></u>	<u><u>\$ 970,575</u></u>	<u><u>\$ 280,125</u></u>	<u><u>\$ 4,797,354</u></u>

The accompanying notes are an integral part of these financial statements.

2013

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 215,498	\$ -	\$ -	\$ 215,498
37,385	-	-	37,385
8,544	-	-	8,544
<hr/>	<hr/>	<hr/>	<hr/>
261,427	-	-	261,427
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1,345,220	-	-	1,345,220
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277,714	577,099	-	854,813
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2,857,833	664,737	280,125	3,802,695
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<u>\$ 3,135,547</u>	<u>\$ 1,241,836</u>	<u>\$ 280,125</u>	<u>\$ 4,657,508</u>

YWCA NORTHEAST INDIANA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2014

Program Services

	Shelter for Victims of Domestic Violence	Outreach	Racial Justice	Steps to Success
Salaries	\$ 405,806	\$ 180,270	\$ 8,316	\$ 32,035
Employee health and retirement benefits	31,595	16,889	729	2,518
Payroll taxes	38,915	16,436	685	3,151
	<hr/>	<hr/>	<hr/>	<hr/>
Total Salaries and Related Expenses	476,316	213,595	9,730	37,704
Professional fees	39,855	10,318	546	3,791
Occupancy	62,689	18,782	839	5,349
Client welfare	37,817	10,194	-	36
Travel expense	5,364	9,596	42	3,310
Equipment expense	8,304	3,603	357	1,165
Telephone	4,695	2,238	-	420
Printing and publicity	2,601	1,161	3	246
Staff training and meeting	480	742	55	73
Marketing	-	-	-	-
Special events	120	52	-	68
Postage	1,601	556	29	148
Supplies and program expense	1,076	273	14	48
Membership dues	463	354	1,067	71
Miscellaneous	136	-	-	-
Bad debt expense (recoveries)	-	-	-	-
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Total Expenses Before Depreciation	641,517	271,464	12,682	52,429
Depreciation	34,730	2,346	-	285
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Total Expenses	<u>\$ 676,247</u>	<u>\$ 273,810</u>	<u>\$ 12,682</u>	<u>\$ 52,714</u>

The accompanying notes are an integral part of these financial statements.

Supporting Services

Education	Management & General	Fund Raising	2014
\$ 56,557	\$ 110,314	\$ 6,529	\$ 799,827
5,175	6,336	906	64,148
4,847	9,025	863	73,922
66,579	125,675	8,298	937,897
4,163	28,116	38,477	125,266
5,690	9,881	2,098	105,328
-	23	-	48,070
3,698	4,027	162	26,199
898	6,707	800	21,834
539	2,186	180	10,258
2,551	2,118	78	8,758
122	2,795	208	4,475
-	4,225	-	4,225
80	3,727	27	4,074
189	724	332	3,579
129	730	797	3,067
222	789	18	2,984
-	2,825	13	2,974
-	2,945	-	2,945
84,860	197,493	51,488	1,311,933
-	29,559	-	66,920
<u>\$ 84,860</u>	<u>\$ 227,052</u>	<u>\$ 51,488</u>	<u>\$ 1,378,853</u>

YWCA NORTHEAST INDIANA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2013

Program Services

	Shelter for Victims of Domestic Violence	Outreach	Racial Justice	Steps to Success
Salaries	\$ 389,334	\$ 168,508	\$ 7,088	\$ 38,998
Employee health and retirement benefits	23,698	22,089	1,010	4,136
Payroll taxes	39,445	15,584	568	3,662
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Total Salaries and Related Expenses	452,477	206,181	8,666	46,796
Professional fees	37,428	10,580	1,988	3,768
Occupancy	63,190	13,975	577	4,055
Client welfare	48,989	1,146	-	-
Travel expense	4,269	9,804	17	4,152
Printing and publicity	4,571	5,864	138	745
Equipment expense	9,018	3,588	274	822
Staff training and meeting	2,034	3,301	7	156
Telephone	4,660	2,197	-	262
Postage	1,333	632	32	149
Supplies and program expense	1,198	220	5	50
Miscellaneous	181	-	-	-
Membership dues	573	155	994	43
Marketing	-	75	-	-
Special events	-	41	-	-
Bad debt expense (recoveries)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses Before Depreciation	629,921	257,759	12,698	60,998
Depreciation	35,376	1,566	-	155
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	<u>\$ 665,297</u>	<u>\$ 259,325</u>	<u>\$ 12,698</u>	<u>\$ 61,153</u>

The accompanying notes are an integral part of these financial statements.

Supporting Services

Education	Management & General	Fund Raising	2013
\$ 57,435	\$ 103,992	\$ 16,181	\$ 781,536
6,427	10,207	3,157	70,724
5,233	8,819	1,540	74,851
69,095	123,018	20,878	927,111
4,107	27,678	12,676	98,225
4,269	8,229	1,858	96,153
-	50	-	50,185
2,648	1,998	510	23,398
3,364	7,351	4	22,037
835	4,956	614	20,107
103	4,797	358	10,756
364	1,958	182	9,623
221	1,176	233	3,776
162	1,612	41	3,288
-	3,068	-	3,249
152	1,027	31	2,975
-	887	-	962
-	551	-	592
-	(1,000)	-	(1,000)
85,320	187,356	37,385	1,271,437
-	28,142	-	65,239
\$ 85,320	\$ 215,498	\$ 37,385	\$ 1,336,676

YWCA NORTHEAST INDIANA, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 139,846	\$ 854,813
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	66,920	65,239
Increase (decrease) in present value discount	(13,500)	32,400
Reinvested investment income - net fees	(78,160)	(50,061)
Net (gain) loss on investments	(172,037)	(386,010)
Cash contributions restricted for investment in land, building and equipment	(55,064)	(25,000)
Collection of pledges restricted for investment in land, building and equipment	(75,000)	-
Change in assets and liabilities:		
(Increase) decrease in:		
Claims receivable	(17,134)	29,045
Pledges receivable	143,629	(486,121)
Prepaid expenses	(5,378)	4,665
Increase (decrease) in:		
Accounts payable	3,127	(1,446)
Accrued expenses	14,083	13,642
	<u> </u>	<u> </u>
Cash Flows From Operating Activities	(48,668)	51,166
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	17,886	25,629
Change in cash restricted to investment in land, building and equipment	(38,496)	(25,000)
Purchase of land, building and equipment	(75,180)	(13,923)
	<u> </u>	<u> </u>
Cash Flows From Investing Activities	(95,790)	(13,294)
CASH FLOWS FROM FINANCING ACTIVITIES		
Collection of pledges restricted for investment in land, building and equipment	75,000	-
Cash contributions restricted for investment in land, building and equipment	55,064	25,000
	<u> </u>	<u> </u>
Cash Flows From Financing Activities	130,064	25,000
INCREASE (DECREASE) IN CASH	(14,394)	62,872
CASH - beginning of year	<u>155,522</u>	<u>92,650</u>
CASH - end of year	<u>\$ 141,128</u>	<u>\$ 155,522</u>

The accompanying notes are an integral part of these financial statements.

YWCA NORTHEAST INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2012

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

YWCA Northeast Indiana, Inc. (the Association) is a women's membership movement with Christian roots that draws together members from diverse backgrounds who strive to create opportunities for women's growth, leadership and power in order to attain peace, justice, freedom and dignity for all people.

Income Taxes

The Association is a nonprofit voluntary health and welfare organization, exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and qualifies for the 50% charitable contributions deduction limitation. The Association has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code. The Association's income tax filings are subject to audit by various taxing authorities. The Association is no longer subject to income tax examinations by taxing authorities for tax years ending on or before December 31, 2010. The Association's management has determined that there are no events that would more likely than not cause the above tax position to change within the next twelve months.

Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Receivables

The Association recognizes pledges as public support in the year that a firm pledge is made, and if necessary provides an allowance for uncollectible pledges receivable equal to the estimated collection losses that will be incurred in collection of all pledges. The estimated losses are based on historical collection experience coupled with a review of the current status of the existing receivables.

(continued)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value in the statement of financial position. These investments are initially recorded at cost if they were purchased or at their fair market value on the date of the gift if they were received as a donation. Unrealized gains and losses are included in the statement of activities change in net assets.

Public Support and Revenue

All contributions are generally available for unrestricted use in the related year received unless specifically restricted by the donor. Unconditional promises to give are recorded as received. Unconditional promises to give due in the next year are reflected as current pledges receivable and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are also reflected as current pledges receivable; however, they are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts. Amortization of discounts is included in contribution revenue. An allowance for uncollectible promises to give is provided based on management's evaluation of historical experience.

Grants and other contributions of cash are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Endowment contributions and investments are permanently restricted by the donor. Investment earnings available for distribution are recorded in unrestricted net assets. Amounts charged to participants in excess of value for special events are recorded as temporarily restricted revenue to benefit the designated program. Program fees restricted by grants are recorded as temporarily restricted revenue.

Land, Buildings and Equipment

Land, buildings and equipment are stated at cost or at fair value where a recent appraisal is available or, if donated, at fair value at date of the gift. Items with a cost or value of \$500 or more and a useful life of one year or more are capitalized. The Association follows the policy of providing depreciation on the straight-line method for financial reporting purposes over the estimated useful lives of the related assets. It is not the Association's policy to imply time restrictions expiring over the useful life of the donated assets. In the absence of donor-imposed restrictions on the use of the asset, gifts of long lived assets are reported as unrestricted support.

(continued)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

Reclassification

Certain reclassifications have been made to conform prior years' financial statements to the current presentation. These reclassifications have no effect on previously reported operating results.

Subsequent Events

Management has evaluated subsequent events through April 8, 2015, the date which the financial statements were available for issue.

2. PLEDGES RECEIVABLE

Pledges receivable as of December 31 consist of the following:

	2014	2013
Pledges receivable	\$ 469,542	\$ 611,227
Less allowance for uncollectible pledges	3,760	1,816
Less unamortized present value discount (2.6% and 3.3%)	<u>18,900</u>	<u>32,400</u>
Net pledges receivable	<u>\$ 446,882</u>	<u>\$ 577,011</u>
Amounts due in:		
Less than one year	\$ 169,542	\$ 221,227
One to five years	300,000	390,000
More than five years	<u>-</u>	<u>-</u>
	<u>\$ 469,542</u>	<u>\$ 611,227</u>

The Association has received notification of intentions to give in the amount of \$91,411 from the United Ways of Allen, DeKalb, Huntington, Wells and Whitley counties. The expected funding is to be used for programs in 2015 and has not been recorded as an asset of the Association as of December 31, 2014.

3. LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment at December 31 consist of the following:

	2014	2013
Land	\$ 86,903	\$ 86,903
Buildings and building improvements	1,217,727	1,217,727
Equipment	<u>427,068</u>	<u>351,888</u>
	1,731,698	1,656,518
Accumulated depreciation	<u>1,139,100</u>	<u>1,072,180</u>
	<u>\$ 592,598</u>	<u>\$ 584,338</u>

4. INVESTMENTS

Investments at December 31 are summarized as follows:

	2014	2013
Fixed income	\$ 831,610	\$ 827,870
Equities	2,402,536	2,218,096
Complementary strategies	59,592	61,779
Real estate funds	<u>55,941</u>	<u>54,536</u>
	3,349,679	3,162,281
Cash and cash equivalents	<u>184,547</u>	<u>141,830</u>
	<u>\$ 3,534,226</u>	<u>\$ 3,304,111</u>

5. BENEFICIAL INTEREST

The beneficial interest totaling \$46,733 at December 31, 2014 and \$44,537 at December 31, 2013 consists of funds held by the Community Foundations of Greater Fort Wayne, DeKalb County, Huntington County, Noble County, Wells County and Whitley County (Foundations) which are the result of an agreement whereby the Association has transferred assets to the Foundations and has specified itself as the beneficiary of the assets. The Association may draw up to a certain percent of the value of the assets each year, but may only obtain a return of the full value of the assets upon consent of the Foundations.

(continued)

5. **BENEFICIAL INTEREST** (continued)

Additionally, the Community Foundation of Greater Fort Wayne holds investment assets, with a December 31 value of \$14,429 (2014) and \$8,629 (2013), for the benefit of the Association for which the Foundation has retained variance power. These assets are not recorded as assets of the Association.

6. **FAIR VALUE MEASUREMENT**

Assets and liabilities recorded at fair value in the statement of financial position are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs are defined as follows:

Level 1. Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2. Observable inputs other than those included in Level 1, such as quoted market prices for similar assets or liabilities in active markets or quoted market prices for identical assets or liabilities in inactive markets.

Level 3. Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value.

Investments. Value determined by reference to quoted market prices and other relevant information generated by market transactions.

Beneficial interest. Value based upon the Organization's proportionate share of the Community Foundations of Greater Fort Wayne, DeKalb County, Huntington County, Noble County, Wells County and Whitley County's pooled investment portfolio.

(continued)

6. FAIR VALUE MEASUREMENT (continued)

Fair value of assets and liabilities measured on a recurring basis at December 31, 2014 are as follows:

	Level 1	Level 3
Investments:		
Fixed income:		
Government obligations	\$ 10,936	\$ -
Corporate obligations	15,003	-
Domestic mutual funds	25,887	-
International mutual funds	23,846	-
Exchange-traded funds	150,313	-
Mutual funds - fixed income	605,625	-
Equities:		
Consumer discretionary	195,372	-
Consumer staples	113,152	-
Energy	72,973	-
Financials	242,632	-
Health care	191,968	-
Industrials	148,148	-
Information technology	229,281	-
Materials	38,205	-
Telecommunications services	14,034	-
Utilities	20,569	-
International equities	13,452	-
Domestic mutual funds	67,073	-
International mutual funds	100,833	-
Exchange-traded funds	373,595	-
Mutual funds - equity	581,249	-
Complementary strategies	59,592	-
Real estate funds	55,941	-
Beneficial interest	<u>-</u>	<u>46,733</u>
	<u>\$ 3,349,679</u>	<u>\$ 46,733</u>

(continued)

6. FAIR VALUE MEASUREMENT (continued)

Fair value of assets and liabilities measured on a recurring basis at December 31, 2013 are as follows:

	Level 1	Level 3
Investments:		
Fixed income:		
Government obligations	\$ 16,141	\$ -
Corporate obligations	26,036	-
Domestic mutual funds	26,458	-
International mutual funds	27,455	-
Exchange-traded funds	149,934	-
Mutual funds - fixed income	581,846	-
Equities:		
Consumer discretionary	204,850	-
Consumer staples	128,699	-
Energy	120,237	-
Financials	270,476	-
Health care	198,708	-
Industrials	182,222	-
Information technology	211,594	-
Materials	34,091	-
Telecommunications services	18,673	-
Utilities	21,083	-
International equities	13,648	-
Domestic mutual funds	61,827	-
International mutual funds	101,782	-
Exchange-traded funds	104,798	-
Mutual funds - equity	545,408	-
Complementary strategies	61,779	-
Real estate funds	54,536	-
Beneficial interest	<u>-</u>	<u>44,537</u>
	<u>\$ 3,162,281</u>	<u>\$ 44,537</u>

(continued)

6. FAIR VALUE MEASUREMENT (continued)

Following is a reconciliation of activity for assets and liabilities measured at fair value based on significant unobservable inputs for the year ending December 31:

	Beneficial Interest	
	2014	2013
Beginning of year balance	\$ 44,537	\$ 39,366
Contributions	-	-
Total gains and losses included in earnings:		
Interest and dividends	1,066	868
Unrealized gain/(loss)	628	1,349
Realized gain	1,226	3,728
Investment fees	<u>(724)</u>	<u>(774)</u>
	2,196	5,171
Disbursements	<u>-</u>	<u>-</u>
End of year balance	<u>\$ 46,733</u>	<u>\$ 44,537</u>

7. LINE OF CREDIT

The Association has \$200,000 of non-revolving credit authorizations with First Source Bank, to be drawn upon as needed, bearing interest at the greater of .25% above the prime rate or 4.50% (4.50% at December 31, 2014). The authorization is secured by real estate. No amount was outstanding as of December 31, 2014.

8. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are restricted for the following purposes:

	2014	2013
Future period operations	\$ 372,700	\$ 520,000
Shelter and domestic violence	25,000	42,500
Capital improvements	123,465	100,000
Strategic planning	-	10,000
Equipment purchases	8,431	-
Endowment	<u>440,979</u>	<u>569,336</u>
	<u>\$ 970,575</u>	<u>\$ 1,241,836</u>

(continued)

8. TEMPORARILY RESTRICTED NET ASSETS (continued)

Unrestricted net assets in the amount of \$1,000,000 at December 31, 2014 have been designated by the Board of Directors for capital improvements as part of an upcoming capital campaign.

9. ENDOWMENT

The Association has currently invested its donor-restricted endowment funds in an investment account with a mixture of equities, fixed income and cash and cash equivalents. The endowments have been established to promote the mission of the agency. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of YWCA Northeast Indiana, Inc. has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Association classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Association and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Association
- (7) The investment policies of the Association

(continued)

9. **ENDOWMENT** (continued)

Endowment Net Asset Composition by Type of Fund as of December 31:

	Donor Restricted Endowment	
	2014	2013
Temporarily restricted	\$ 440,979	\$ 569,336
Permanently restricted	<u>280,125</u>	<u>280,125</u>
Total funds	<u>\$ 721,104</u>	<u>\$ 849,461</u>

Changes in Endowment Net Assets for the Year Ended December 31, 2014

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets - beginning of year	\$ 569,336	\$ 280,125	\$ 849,461
Investment return:			
Investment income	21,194	-	21,194
Net appreciation (realized and unrealized)	9,311	-	9,311
Fees	<u>(6,426)</u>	<u>-</u>	<u>(6,426)</u>
Total investment loss	24,079	-	24,079
Appropriation of endowment assets for expenditure	<u>(152,436)</u>	<u>-</u>	<u>152,436</u>
Endowment net assets - end of year	<u>\$ 440,979</u>	<u>\$ 280,125</u>	<u>\$ 721,104</u>

(continued)

9. **ENDOWMENT** (continued)

Changes in Endowment Net Assets for the Year Ended December 31, 2013

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets - beginning of year	\$ 520,581	\$ 280,125	\$ 800,706
Investment return:			
Investment income	17,129	-	17,129
Net appreciation (realized and unrealized)	63,074	-	63,074
Fees	<u>(5,819)</u>	<u>-</u>	<u>(5,819)</u>
Total investment loss	74,384	-	74,384
Appropriation of endowment assets for expenditure	<u>(25,629)</u>	<u>-</u>	<u>(25,629)</u>
Endowment net assets - end of year	<u>\$ 569,336</u>	<u>\$ 280,125</u>	<u>\$ 849,461</u>

Description of Amounts Classified as Permanently Restricted Net Assets and Temporarily Restricted Net Assets (Endowment Only)

Permanently Restricted Net Assets	2014	2013
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by UPMIFA	\$ 280,125	\$ 280,125
Temporarily Restricted Net Assets		
The portion of perpetual endowment funds subject to a time restriction under UPMIFA:		
Without purpose restrictions	\$ 440,979	\$ 569,336

(continued)

9. ENDOWMENT (continued)

Return Objectives and Risk Parameters

The Association has adopted investment and spending policies for endowment assets that attempt to preserve the principal in terms of its purchasing power so the fund will be able to serve the Association's needs over the long term; produce sufficient income to meet the needs of the Association; and provide long-term growth in assets as may be fairly balanced by the need for reasonable income and investment risk. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to achieve satisfactory investment returns while gaining the risk control of diversification.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Association targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Association has a policy of appropriating for distribution up to 5% of the market value of the investment at September 30 of each of the three preceding calendar years, averaged, after deductions of portfolio transaction costs, management fees and adjustments for contributions and withdrawals. In establishing this policy, the Association considered the long-term expected return on its endowment.

10. RETIREMENT PLAN

The Association participates in a multi-employer defined benefit retirement plan (YWCA Retirement Fund, Inc.) administered by YWCA USA that covers all employees with at least two years of service who have worked 1,000 hours during any two years of employment. The Association contributes 7.5% of salary for the benefit of each participant and the national retirement fund contributes an additional 3%. Participants are 100% vested immediately upon participation in the plan. During 2014, the YWCA Retirement Fund, Inc. was fully funded and for this reason gave local associations participating in the fund relief equal to 75% of their calculated agency contribution. The Association paid their 25% portion to the YWCA Retirement fund. The Fund added the remaining 75% and deposited the total contributions into participants' accounts. The amount charged to operations was \$13,826 for 2014 and \$30,234 for 2013.

11. RENTAL EXPENSE UNDER OPERATING LEASES

The Association leases office equipment under an operating lease expiring in 2017. Total rental expense was \$5,313 for the year ended December 31, 2014 and \$3,826 for the year ended December 31, 2013.

Minimum future rental payments under noncancelable operating leases having initial or remaining terms in excess of one year as of December 31, 2014 for each of the next five years and in the aggregate are:

2015	\$	3,984
2016		3,984
2017		3,320
2018 and thereafter		<u>-</u>
	\$	<u>11,288</u>

Additionally, the Organization rents office equipment on a month-to-month basis. Total rental expense under cancelable operating leases was \$420 for 2014 and 2013.

12. ADVERTISING COSTS

Advertising costs are charged to operations when incurred. The cost of advertising charged to operations was \$106 in 2014 and \$6,392 in 2013.

13. CREDIT RISK AND CONCENTRATIONS

The Association receives a significant amount of its public support from the federal government, the United Way and a local foundation. A significant reduction in the level of this support, if this were to occur, may have an effect on the operations of the Association.

Financial instruments which potentially subject the Association to concentrations of credit risk consist of money market accounts and investment securities.

14. IN-KIND CONTRIBUTIONS

The Association recognized contributions of certain goods and services received at the fair value of those goods and services as follows:

	2014	2013
Program services:		
Printing and publicity	\$ -	\$ 3,600
Client welfare	9,875	4,861
Occupancy	5,312	4,019
Supplies and program expense	597	-
Marketing	-	157
Miscellaneous	-	91
Special events	-	41
Management and general:		
Staff training and meeting	250	-
Client welfare	-	50
Supplies and program expense	244	-
Special events	-	259
Fundraising:		
Professional fees	<u>5,050</u>	<u>11,290</u>
	<u>\$ 21,328</u>	<u>\$ 24,368</u>

15. COMMITMENTS

The Association has entered into a commitment for the purchase of a generator. The total commitment at December 31, 2014 totals \$25,340, of which \$18,275 has been paid.

The Association has entered into a commitment to purchase consulting services during an upcoming capital campaign. The total commitment is approximately \$27,000 at December 31, 2014 to be paid in monthly installments beginning January 2015.

YWCA NORTHEAST INDIANA, INC.
SCHEDULE OF GOVERNMENT FUNDS RECEIVED
Year Ended December 31, 2014

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Agency or Pass-Through Number	Revenue Recognized
U.S. Department of Housing and Urban Development:			
Passed through Indiana Housing and Community Development Authority: Emergency Shelter Grants Program	14.231	ES-013-055 ES-014-056	\$ 29,883
Passed through City of Fort Wayne: Community Development Block Grants	14.228	N/A	336
U.S. Department of Health and Human Services:			
Passed through Indiana Criminal Justice Institute: Family Violence Prevention and Services Grants for Battered Women's Shelter	93.671	D31-14-8390	63,647
Social Services Block Grant	93.667	13SSBG-2101	21,971
U.S. Department of Justice:			
Passed through Indiana Criminal Justice Institute: Crime Victim Assistance	16.575	13VA2293	41,728
Violence Against Women Formal Grants	16.588	13ST2040	22,083
Domestic Violence Prevention and Treatment	N/A	14DVPT-3279 & 13DV2102	<u>112,400</u>
Total Government Funds Received			<u><u>\$ 292,048</u></u>

See independent auditors' report.

