

YWCA NORTHEAST INDIANA, INC.

FINANCIAL STATEMENTS

Years Ended December 31, 2015 and 2014

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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, 2015 and 2014, 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.

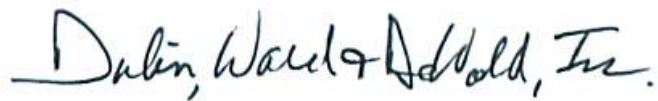
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2015 and 2014, 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 25 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 14, 2016

YWCA NORTHEAST INDIANA, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2015 and 2014

	2015	2014
ASSETS		
Cash and cash equivalents	\$ 500,177	\$ 141,128
Claims receivable	194,974	50,702
Pledges receivable - net	1,373,284	446,882
Prepaid expenses	12,692	13,491
Investments	3,466,078	3,534,226
Beneficial interest	66,181	46,733
Cash restricted for investment in land, buildings and equipment	222,614	63,496
Land, buildings and equipment - net of accumulated depreciation	<u>920,874</u>	<u>592,598</u>
Total Assets	<u><u>\$ 6,756,874</u></u>	<u><u>\$ 4,889,256</u></u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 179,526	\$ 21,686
Accrued expenses	<u>97,028</u>	<u>70,216</u>
Total Liabilities	276,554	91,902
Net Assets:		
Unrestricted	3,096,612	2,546,654
Board designated	<u>1,000,000</u>	<u>1,000,000</u>
Total unrestricted	4,096,612	3,546,654
Temporarily restricted	2,089,652	970,575
Permanently restricted	<u>294,056</u>	<u>280,125</u>
Total Net Assets	<u>6,480,320</u>	<u>4,797,354</u>
Total Liabilities and Net Assets	<u><u>\$ 6,756,874</u></u>	<u><u>\$ 4,889,256</u></u>

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

YWCA NORTHEAST INDIANA, INC.
STATEMENTS OF ACTIVITIES
Year Ended December 31, 2015 and 2014

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
CHANGES IN NET ASSETS				
Support, Revenues and Gains:				
Contributions	\$ 240,270	\$ 1,719,804	\$ -	\$ 1,960,074
United Way	6,279	198,573	-	204,852
Government funding - federal	509,971	-	-	509,971
Special events:				
Proceeds	156,834	-	-	156,834
Less direct benefits to donors	(20,345)	-	-	(20,345)
Program service fees	22,818	-	-	22,818
Trust and estate distributions	65,250	-	-	65,250
Investment income	80,239	20,460	-	100,699
Gain on disposal of equipment	400	-	-	400
Gain on investments	-	-	-	-
Miscellaneous	9,591	-	-	9,591
Net Assets Released From Restrictions:				
Satisfaction of program requirements	467,252	(467,252)	-	-
Satisfaction of purchase requirements	211,170	(211,170)	-	-
Satisfaction of time requirements	130,000	(130,000)	-	-
	1,879,729	1,130,415	-	3,010,144
Total Support, Revenues and Gains				
Expenses and Losses:				
Program services:				
Shelter for Victims of Domestic Violence	700,121	-	-	700,121
Hope House	260,531	-	-	260,531
Outreach	253,425	-	-	253,425
Racial Justice	14,168	-	-	14,168
Steps to Success	34,077	-	-	34,077
Education	94,306	-	-	94,306
	1,356,628	-	-	1,356,628
Total Program Services				

(continued)

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

2014

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 251,493	\$ 328,316	\$ -	\$ 579,809
1,000	170,973	-	171,973
292,048	-	-	292,048
160,854	-	-	160,854
(19,862)	-	-	(19,862)
3,793	-	-	3,793
57,877	-	-	57,877
83,868	21,194	-	105,062
-	-	-	-
162,726	9,311	-	172,037
3,400	-	-	3,400
434,936	(434,936)	-	-
101,569	(101,569)	-	-
264,550	(264,550)	-	-
<hr/>	<hr/>	<hr/>	<hr/>
1,798,252	(271,261)	-	1,526,991
676,247	-	-	676,247
-	-	-	-
273,810	-	-	273,810
12,682	-	-	12,682
52,714	-	-	52,714
84,860	-	-	84,860
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1,100,313	-	-	1,100,313

YWCA NORTHEAST INDIANA, INC.
STATEMENTS OF ACTIVITIES
Year Ended December 31, 2015 and 2014

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
(continued)				
Supporting services and other:				
Management and general	\$ 240,584	\$ -	\$ -	\$ 240,584
Fundraising	88,521	-	-	88,521
Regional YWCA affiliation dues	8,410	-	-	8,410
Loss on investments	84,537	38,568	-	123,105
	<u>422,052</u>	<u>38,568</u>	<u>-</u>	<u>460,620</u>
Total Supporting Services and Other	<u>422,052</u>	<u>38,568</u>	<u>-</u>	<u>460,620</u>
Total Expenses and Losses	<u>1,778,680</u>	<u>38,568</u>	<u>-</u>	<u>1,817,248</u>
CHANGE IN NET ASSETS BEFORE ACQUISITION	101,049	1,091,847	-	1,192,896
CONTRIBUTION RECEIVED IN ACQUISITION OF HOPE HOUSE, INC.	<u>448,909</u>	<u>27,230</u>	<u>13,931</u>	<u>490,070</u>
CHANGE IN NET ASSETS	549,958	1,119,077	13,931	1,682,966
NET ASSETS - beginning of year	<u>3,546,654</u>	<u>970,575</u>	<u>280,125</u>	<u>4,797,354</u>
NET ASSETS - end of year	<u><u>\$ 4,096,612</u></u>	<u><u>\$ 2,089,652</u></u>	<u><u>\$ 294,056</u></u>	<u><u>\$ 6,480,320</u></u>

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

2014			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 227,052	\$ -	\$ -	\$ 227,052
51,488	-	-	51,488
8,292	-	-	8,292
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
286,832	-	-	286,832
<u>1,387,145</u>	<u>-</u>	<u>-</u>	<u>1,387,145</u>
411,107	(271,261)	-	139,846
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
411,107	(271,261)	-	139,846
<u>3,135,547</u>	<u>1,241,836</u>	<u>280,125</u>	<u>4,657,508</u>
<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>

YWCA NORTHEAST INDIANA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2015

	Program Services			
	Shelter for Victims of Domestic Violence	Hope House	Outreach	Racial Justice
Salaries	\$ 407,304	\$ 164,191	\$ 161,627	\$ 10,115
Employee health and retirement benefits	36,987	20,828	16,425	1,207
Payroll taxes	40,048	11,604	15,152	867
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Total Salaries and Related Expenses	484,339	196,623	193,204	12,189
Professional fees	39,896	15,593	13,211	746
Occupancy	59,807	23,916	17,713	774
Client welfare	50,296	10,566	3,950	-
Capital campaign	-	-	-	-
Travel expense	5,829	847	13,160	-
Equipment expense	7,578	1,539	3,499	363
Printing and publicity	5,230	233	2,239	40
Telephone	4,759	3,615	2,353	-
Staff training and meeting	1,528	40	-	-
Supplies and program expense	1,029	2,036	371	19
Membership dues	816	593	507	19
Miscellaneous	33	-	38	-
Postage	1,031	26	371	18
Marketing	-	-	-	-
Income tax	-	235	-	-
Special events	81	-	66	-
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Total Expenses Before Depreciation	662,252	255,862	250,682	14,168
Depreciation	37,869	4,669	2,743	-
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Total Expenses	<u>\$ 700,121</u>	<u>\$ 260,531</u>	<u>\$ 253,425</u>	<u>\$ 14,168</u>

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

Supporting Services

Steps to Success	Education	Management & General	Fund Raising	2015
\$ 16,658	\$ 60,430	\$ 111,328	\$ 28,565	\$ 960,218
2,002	7,904	13,106	2,365	100,824
2,230	5,806	8,174	2,732	86,613
20,890	74,140	132,608	33,662	1,147,655
3,844	4,603	47,998	11,027	136,918
4,498	5,142	10,151	1,896	123,897
244	102	-	1,350	66,508
-	-	-	36,000	36,000
2,293	4,182	2,038	236	28,585
819	864	4,634	836	20,132
482	3,842	1,369	1,752	15,187
189	538	2,161	188	13,803
279	391	5,260	872	8,370
75	189	986	533	5,238
76	178	930	40	3,159
-	-	2,502	-	2,573
101	120	424	101	2,192
-	-	968	-	968
-	-	-	-	235
13	15	-	28	203
33,803	94,306	212,029	88,521	1,611,623
274	-	28,555	-	74,110
<u>\$ 34,077</u>	<u>\$ 94,306</u>	<u>\$ 240,584</u>	<u>\$ 88,521</u>	<u>\$ 1,685,733</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
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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	-	-	-	-
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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
\$ 84,860	\$ 227,052	\$ 51,488	\$ 1,378,853

YWCA NORTHEAST INDIANA, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,682,966	\$ 139,846
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	74,110	66,920
Increase (decrease) in present value discount	3,186	(13,500)
Reinvested investment income - net fees	(75,154)	(78,160)
Net (gain) loss on investments	123,105	(172,037)
Gain on disposal of equipment	(400)	-
Cash contributions restricted for investment in land, building and equipment	(220,288)	(55,064)
Collection of pledges restricted for investment in land, building and equipment	-	(75,000)
Contribution received in acquisition of Hope House, Inc.	(490,070)	-
Change in assets and liabilities:		
(Increase) decrease in:		
Claims receivable	(144,272)	(17,134)
Pledges receivable	(878,307)	143,629
Prepaid expenses	4,677	(5,378)
Increase (decrease) in:		
Accounts payable	153,501	3,127
Accrued expenses	21,020	14,083
	254,074	(48,668)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	23,026	17,886
Change in cash restricted for investment in land, building and equipment	(159,118)	(38,496)
Purchase of land, building and equipment	(236,021)	(75,180)
Cash received in acquisition of Hope House, Inc.	256,400	-
Proceeds from sale of equipment	400	-
	(115,313)	(95,790)

(continued)

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

YWCA NORTHEAST INDIANA, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2015 and 2014

	2015	2014
(continued)		
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	<u>220,288</u>	<u>55,064</u>
Cash Flows From Financing Activities	<u>220,288</u>	<u>130,064</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	359,049	(14,394)
CASH AND CASH EQUIVALENTS - beginning of year	<u>141,128</u>	<u>155,522</u>
CASH AND CASH EQUIVALENTS - end of year	<u><u>\$ 500,177</u></u>	<u><u>\$ 141,128</u></u>

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

YWCA NORTHEAST INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

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.

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

Claims receivable are due from government and other significant funding sources. The Association provides an allowance for uncollectible accounts which is based upon historical collection experience and managements estimates of the losses that will be incurred in the collection of all 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.

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.

(continued)

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

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.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Association considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

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.

Subsequent Events

Management has evaluated subsequent events through April 14, 2016, the date which the financial statements were available for issue.

2. PLEDGES RECEIVABLE

Pledges receivable as of December 31 consist of the following:

	2015	2014
Pledges receivable	\$ 1,412,586	\$ 469,542
Less allowance for uncollectible pledges	17,216	3,760
Less unamortized present value discount (2.61%-3.32%)	<u>22,086</u>	<u>18,900</u>
Net pledges receivable	<u>\$ 1,373,284</u>	<u>\$ 446,882</u>
Amounts due in:		
Less than one year	\$ 1,017,981	\$ 169,542
One to five years	394,605	300,000
More than five years	<u>-</u>	<u>-</u>
	<u>\$ 1,412,586</u>	<u>\$ 469,542</u>

The Association has received notification of intentions to give in the amount of \$95,661 from the United Ways of Allen, DeKalb, Huntington, Wells and Whitley counties. The expected funding is to be used for programs in 2016 and has not been recorded as an asset of the Association as of December 31, 2015.

3. LAND, BUILDINGS AND EQUIPMENT

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

	2015	2014
Land	\$ 101,003	\$ 86,903
Buildings and building improvements	1,365,227	1,217,727
Equipment	<u>456,272</u>	<u>427,430</u>
	1,922,502	1,732,060
Accumulated depreciation	<u>1,212,798</u>	<u>1,139,462</u>
	709,704	592,598
Construction in process	<u>211,170</u>	<u>-</u>
	<u>\$ 920,874</u>	<u>\$ 592,598</u>

4. INVESTMENTS

Investments at December 31 are summarized as follows:

	2015	2014
Fixed income	\$ 1,064,235	\$ 831,610
Equities	2,207,588	2,402,536
Complementary strategies	49,705	59,592
Real estate funds	<u>49,519</u>	<u>55,941</u>
	3,371,047	3,349,679
Cash and cash equivalents	<u>95,031</u>	<u>184,547</u>
	<u>\$ 3,466,078</u>	<u>\$ 3,534,226</u>

5. BENEFICIAL INTEREST

The beneficial interest totaling \$66,181 at December 31, 2015 and \$46,733 at December 31, 2014 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.

Additionally, the Community Foundation of Greater Fort Wayne holds investment assets, with a value of \$29,684 at December 31, 2015 and \$14,429 at December 31, 2014, 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.

(continued)

6. FAIR VALUE MEASUREMENT (continued)

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 Association'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 portfolios.

(continued)

6. FAIR VALUE MEASUREMENT (continued)

Fair value of assets and liabilities measured on a recurring basis at December 31, 2015 are as follows:

	Level 1	Level 3
Investments:		
Fixed income:		
Government obligations	\$ 19,765	\$ -
Corporate obligations	20,796	-
Domestic mutual funds	16,039	-
International mutual funds	17,154	-
Exchange - traded funds	173,610	-
Mutual funds - fixed income	816,871	-
Equities:		
Consumer discretionary	186,724	-
Consumer staples	99,069	-
Energy	49,026	-
Financials	199,775	-
Health care	159,302	-
Industrials	164,013	-
Information technology	217,038	-
Materials	48,340	-
Telecommunications services	19,412	-
Utilities	27,934	-
International equities	17,780	-
Domestic mutual funds	64,640	-
International mutual funds	76,539	-
Exchange - traded funds	378,684	-
Mutual funds - equity	499,312	-
Complementary strategies	49,705	-
Real estate funds	49,519	-
Beneficial interest	<u>-</u>	<u>66,181</u>
	<u>\$ 3,371,047</u>	<u>\$ 66,181</u>

(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)

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	
	2015	2014
Balance – beginning of year	\$ 46,733	\$ 44,537
Acquisition of Hope House	22,277	-
Contributions	-	-
Total gains and losses included in earnings:		
Interest and dividends	1,849	1,066
Unrealized gain/(loss)	(3,658)	628
Realized gain/(loss)	(176)	1,226
Investment fees	<u>(844)</u>	<u>(724)</u>
	(2,829)	2,196
Disbursements	<u>-</u>	<u>-</u>
Balance – end of year	<u>\$ 66,181</u>	<u>\$ 46,733</u>

7. LINE OF CREDIT

The Association has a \$200,000 revolving line of credit with 1st Source Bank to be drawn upon as needed, bearing interest at the greater of .25% above the prime rate or 4.0% (4.50% at December 31, 2015). The authorization is secured by real estate. No amount was outstanding as of December 31, 2015.

8. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are restricted for the following purposes:

	2015	2014
Future period operations	\$ 253,526	\$ 372,700
Shelter and domestic violence	217,854	25,000
Capital improvements	1,217,324	123,465
Equipment purchases	8,431	8,431
Endowment	<u>392,517</u>	<u>440,979</u>
	<u>\$ 2,089,652</u>	<u>\$ 970,575</u>

(continued)

8. TEMPORARILY RESTRICTED NET ASSETS (continued)

Unrestricted net assets in the amount of \$1,000,000 at December 31, 2015 and 2014 have been designated by the Board of Directors for capital improvements as part of an ongoing 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	
	2015	2014
Unrestricted	\$ 7,195	\$ -
Temporarily restricted	392,517	440,979
Permanently restricted	<u>294,056</u>	<u>280,125</u>
 Total funds	 <u>\$ 693,768</u>	 <u>\$ 721,104</u>

Changes in Endowment Net Assets for the Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets - beginning of year	\$ -	\$ 440,979	\$ 280,125	\$ 721,104
Acquisition of Hope House	8,346	-	13,931	22,277
Investment return:				
Investment income	507	20,460	-	20,967
Net depreciation (realized and unrealized)	(1,565)	(38,568)	-	(40,133)
Fees	<u>(93)</u>	<u>(7,328)</u>	<u>-</u>	<u>(7,421)</u>
Total investment return	(1,151)	(25,436)	-	(26,587)
Appropriation of endowment assets for expenditure	<u>-</u>	<u>23,026</u>	<u>-</u>	<u>23,026</u>
Endowment net assets - end of year	<u>\$ 7,195</u>	<u>\$ 392,517</u>	<u>\$ 294,056</u>	<u>\$ 693,768</u>

(continued)

9. **ENDOWMENT** (continued)

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 return	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>

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

Permanently Restricted Net Assets	2015	2014
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by UPMIFA	\$ 294,056	\$ 280,125
Temporarily Restricted Net Assets		
The portion of perpetual endowment funds subject to a time restriction under UPMIFA:		
Without purpose restrictions	\$ 392,517	\$ 440,979

(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. The amount charged to operations was \$37,724 for 2015 and \$13,826 for 2014. 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.

11. RENTAL EXPENSE UNDER OPERATING LEASES

The Association leases office equipment under an operating lease expiring in 2017. Total rental expense was \$4,671 for the year ended December 31, 2015 and \$5,313 for the year ended December 31, 2014.

Minimum future rental payments under noncancelable operating leases having initial or remaining terms in excess of one year as of December 31, 2015 for each of the next five years and in the aggregate are:

2016	\$	3,984
2017		3,320
2018 and thereafter		<u>-</u>
	\$	<u>7,304</u>

Additionally, the Association rents office equipment on a month-to-month basis. Total rental expense under cancelable operating leases was \$420 for 2015 and 2014.

12. ADVERTISING COSTS

Advertising costs are charged to operations when incurred. The cost of advertising charged to operations was \$5,500 in 2015 and \$106 in 2014.

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.

The Association maintains cash accounts in a local bank. Cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. As of December 31, 2015, deposits in excess of the insured amount totaled \$477,931.

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:

	2015	2014
Program services:		
Client welfare	\$ 4,618	\$ 9,875
Occupancy	5,735	5,312
Supplies and program expense	-	597
Printing and publicity	5,490	-
Management and general:		
Staff training and meeting	-	250
Client welfare	250	-
Supplies and program expense	-	244
Fundraising:		
Client welfare	1,350	-
Professional fees	-	5,050
Occupancy	25	-
Direct benefit	<u>5,260</u>	<u>-</u>
	<u>\$ 22,728</u>	<u>\$ 21,328</u>

15. STATEMENT OF CASH FLOWS SUPPLEMENTAL DISCLOSURES

Cash used in operating activities include income taxes paid of \$235 in 2015.

Noncash investing and financing activities for 2015 include receipt of non-cash assets and liabilities from the acquisition of Hope House, Inc. as follows:

Pledges receivable	\$ 51,281
Prepaid expenses	3,878
Beneficial interest	22,277
Land, building and equipment	166,365
Accounts payable	(4,339)
Accrued liabilities	<u>(5,792)</u>
	<u>\$ 233,670</u>

16. ACQUISITION OF HOPE HOUSE, INC.

On July 1, 2015 the Association acquired Hope House, Inc. (a nonprofit organization). The Association's acquisition of Hope House was the result of both organizations recognition of their similarity of missions and the clients which they serve. As a result of this acquisition, the Association recognized assets at their fair market value and assumed related liabilities. The fair market value of assets acquired was \$500,201 and liabilities assumed was \$10,131. The excess of assets acquired over liabilities assumed of \$490,070 was recorded as a contribution in the statement of activities. Donor restrictions on the use of assets received as part of this contribution include temporary restrictions of \$27,230 for the operations of Hope House and permanent restrictions of \$13,931 for endowment.

YWCA NORTHEAST INDIANA, INC.
SCHEDULE OF GOVERNMENT FUNDS RECEIVED
Year Ended December 31, 2015

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Revenue Recognized
U.S. Department of Housing and Urban Development: Continuum of Care Program	14.267	\$ 68,572
Passed through Indiana Housing and Community Development Authority: Emergency Shelter Grants Program	14.231	46,984
Passed through City of Fort Wayne: Community Development Block Grant	14.228	14,939
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	73,160
Social Services Block Grant	93.667	29,130
U.S. Department of Justice: Passed through Indiana Criminal Justice Institute: Crime Victim Assistance	16.575	48,141
Violence Against Women Formal Grants	16.588	21,832
Domestic Violence Prevention and Treatment	N/A	177,911
Indiana Department of Child Services	N/A	<u>29,302</u>
Total Government Funds Received		<u><u>\$ 509,971</u></u>

See independent auditors' report.

