SHELTERING WINGS CENTER FOR WOMEN, INC.

AUDITED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED
DECEMBER 31, 2015 AND 2014

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KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sheltering Wings Center For Women, Inc.

We have audited the accompanying financial statements of Sheltering Wings Center For Women, 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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 auditor's 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 organization'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 Sheltering Wings Center For Women, 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 accordance with accounting principles generally accepted in the United States of America.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 16, 2016 on our consideration of Sheltering Wings Center For Women, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sheltering Wings Center For Women, Inc.'s internal control over financial reporting and compliance.

Kemper CPA Group LLP

Kemper CPA Group LLP

Avon, Indiana

August 16, 2016

SHELTERING WINGS CENTER FOR WOMEN, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2015 AND 2014

ASSETS	**2015**	**2014**
Cash	$ 771,943	$ 868,886
Grants receivable	53,668	25,010
Pledges receivable, net	984	5,988
Prepaid expenses	7,352	6,556
Investments	26,741	22,533
Property and equipment, net	3,297,615	3,409,059
Total Assets	$ 4,158,303	$ 4,338,032
LIABILITIES		
Accounts payable	$ 6,071	$ 18,435
Accrued liabilities	16,123	12,246
Debt	-	421,838
Total Liabilities	22,194	452,519
NET ASSETS		
Unrestricted	4,129,125	3,866,525
Temporarily restricted	6,984	18,988
Total Net Assets	4,136,109	3,885,513
Total Liabilities and Net Assets	$ 4,158,303	$ 4,338,032

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

SHELTERING WINGS CENTER FOR WOMEN, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015			2014		
	Unrestricted	**Temporarily Restricted**	**Totals**	**Unrestricted**	**Temporarily Restricted**	**Totals**
REVENUES						
Contributions	$ 869,021	$ 6,000	$ 875,021	894,519	$ 13,000	$ 907,519
United Way allocations	151,517	-	151,517	161,664	-	161,664
United Way designated	78,011	-	78,011	80,844	-	80,844
Government grants	321,764	-	321,764	249,902	-	249,902
Net investment income	35	-	35	1,984	-	1,984
In-kind donations	168,974	-	168,974	191,795	-	191,795
Net assets released from restrictions	18,004	(18,004)	-	37,587	(37,587)	-
Total revenues	1,607,326	(12,004)	1,595,322	1,618,295	(24,587)	1,593,708
EXPENSES						
Program services	1,138,661	-	1,138,661	1,105,940	-	1,105,940
Supporting services						
General and administrative	73,874	-	73,874	81,681	-	81,681
Fundraising	131,785	-	131,785	118,318	-	118,318
Total supporting expenses	205,659	-	205,659	200,000	-	200,000
Total expenses	1,344,320	-	1,344,320	1,305,940	-	1,305,940
Other expenses and losses						
Loss on sale of assets	406	-	406	-	-	-
Change in net assets	262,600	(12,004)	250,596	312,355	(24,587)	287,768
NET ASSETS - beginning of year	3,866,525	18,988	3,885,513	3,554,170	43,575	3,597,745
NET ASSETS - end of year	$ 4,129,125	$ 6,984	$ 4,136,109	$ 3,866,525	$ 18,988	$ 3,885,513

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

SHELTERING WINGS CENTER FOR WOMEN, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YERS ENDED DECEMBER 31, 2015 AND 2014

	2015				2014			
		Supporting Services				Supporting Services		
	Program Services	General and Administrative	Fundraising	Totals	Program Services	General and Administrative	Fundraising	Totals
Salaries and benefits	$ 644,475	$ 35,026	$ 21,015	$ 700,516	$ 560,775	$ 30,477	$ 18,286	$ 609,538
Depreciation and amortization	112,463	2,319	1,159	115,941	115,151	2,374	1,187	118,712
Insurance	36,409	5,440	-	41,849	27,576	4,121	-	31,697
Maintenance	27,965	282	-	28,247	29,270	296	-	29,566
Membership dues	1,568	-	-	1,568	1,021	-	-	1,021
Interest	-	15,166	-	15,166	-	23,760	-	23,760
Postage	8,551	1,166	-	9,717	6,719	916	-	7,635
Printing, publicity and education	28,910	3,942	-	32,852	28,314	3,861	-	32,175
Professional development	2,959	403	-	3,362	738	101	-	839
Professional fees	90,752	2,281	-	93,033	61,224	1,678	-	62,902
Program supplies and materials	122,191	5,867	109,589	237,647	202,118	11,535	98,787	312,440
Rent	-	-	-	-	100	-	-	100
Staff recruitment and retention	2,217	302	-	2,519	3,394	463	-	3,857
Office supplies	1,009	66	22	1,097	2,660	173	58	2,891
Telephone	12,055	246	-	12,301	12,404	253	-	12,657
Travel	3,508	478	-	3,986	4,846	661	-	5,507
Utilities	43,629	890	-	44,519	49,630	1,013	-	50,643
Total functional expenses	$ 1,138,661	$ 73,874	$ 131,785	$ 1,344,320	$ 1,105,940	$ 81,681	$ 118,318	$ 1,305,940

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

SHELTERING WINGS CENTER FOR WOMEN, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 250,596	$ 287,768
Adjustments to reconcile change in net assets		
to net cash provided by operating activities:		
Depreciation and amortization	115,941	118,712
Allowance for uncollectible pledges	-	(2,293)
Loss on sale of assets	406	-
Unrealized (gain) loss on investments	791	(1,489)
Changes in operating assets and liabilities:		
Grants receivable	(28,658)	16,281
Pledges receivable	5,004	39,880
Prepaid expenses	(796)	1,002
Accounts payable	(12,364)	5,543
Accrued liabilities	3,877	(45,208)
Net Cash Provided by Operating Activities	334,797	420,196
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(4,902)	(25,153)
Purchase of investments	(5,000)	(10,809)
Net Cash Used by Investing Activities	(9,902)	(35,962)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of principle	(421,838)	(10,857)
Net Cash Used by Financing Activities	(421,838)	(10,857)
Net Increase (Decrease) in Cash	(96,943)	373,377
CASH - Beginning of Year	868,886	495,509
CASH - End of Year	$ 771,943	$ 868,886
SUPPLEMENTAL INFORMATION		
Interest paid	$ 15,166	$ 23,760

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

Note 1 – NATURE OF OPERATIONS

Sheltering Wings Center for Women, Inc. (the Center) was originally incorporated as a not-for-profit corporation on April 15, 1999 under the laws of the State of Indiana and amended to its current name on March 27, 2001.

The Center's purpose is concerned with preventing domestic violence against women and children. To that end, the Center provides aid, assistance, housing and other services as are required to these women and their dependent children in order to minimize the physical and emotional trauma that is inherently attached to the circle of violence from which these clients have come. These services are provided in a supportive and nurturing Christ-centered environment with the goal of reaching emotional and economic stability for each client.

Support for the Center comes primarily from grants and donor contributions. The Center is located in Danville, Indiana.

Program Services – Grant revenues are recorded as earned once a qualifying grant expenditure has been incurred. The following program services are included in the accompanying financial statements:

Crisis Intervention – Sheltering Wings Center for Women provides 24-hour safe, emergency housing for victims of domestic violence and their dependent children who are fleeing from danger. The Center offers victims a safe, supportive, Christ-centered environment that allows for recovery from the effects of violence, and development of resources to avoid future abuse.

Life Skills and Case Management – The Case Management program connects women to resources available to them in their community. The Life Skills program offers classes in the areas of domestic violence support groups, self-care, child development and parenting, budgeting/money management, stress management and safety planning, and computer and job skills training. The Center also helps women throughout the legal process as their advocates.

Children Services – This program offers activities and education, crisis management, rebuilding relationships, community outreach, and general services. The children and their mothers are provided the tools necessary to escape a future of abuse.

Outreach/Education – The Center recognizes that if domestic violence is ever going to end, the entire community must be aware of what it is, how to seek help, and what they can do to help prevent it. To accomplish this, the Center reaches the community via group presentations, tours, events, quarterly newsletters and a month long domestic violence awareness campaign during October.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates - The presentation of financial statements are in conformity with generally accepted accounting principles, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial Statement Presentation - The Center is required to report information regarding its financial position activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets as required by the Not-for-Profit Entities Topic of the FASB Accounting Standards Codification. The Center does not have any permanently restricted net assets.

Allowance For Uncollectible Pledges - The allowance for uncollectible accounts is determined by management based upon historical losses, specific circumstances and general economic conditions. Management determined there was no allowance as of December 31, 2015 and 2014.

Contributions - Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and nature of any donor restrictions as required by the Not-For-Profit Entities Topic of the FASB Accounting Standards Codification. Gifts and contributions are recorded at fair value. The Center has not received any permanently restricted contributions.

Pledges – Unconditional Promises to Give - 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 fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received.

Support and other revenue - The Center reports gifts of cash and other assets as 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 the 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.

Investments – The Not-for-Profit Entities Topic of FASB Accounting Standards Codification requires investments in equity securities with readily determinable fair values and all investments in debt securities to be measured at fair value. Gains and losses on investments are classified as increases/decreases in unrestricted net assets unless the use of the assets received is limited by donor-imposed stipulations or by law. Therefore, when donor restrictions exist, such gains and losses are reported as temporarily or permanently restricted net assets.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes - The Center is specifically exempted from Income Tax under Internal Revenue Code Section 501 (c) (3). There was no unrelated business income for the years ended December 31, 2015 and 2014. Therefore no provision or liability for income taxes has been included in the financial statements. The Center believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Center files U.S. federal and State of Indiana tax returns. The Center is generally no longer subject to U.S. federal and state tax examinations by taxing authorities before 2012.

Property and Equipment – The Center capitalizes property and equipment purchases greater than $1,000. The Center also capitalizes major renewals and betterments that substantially increase the lives of existing assets. Maintenance, repairs and minor improvements are expensed as incurred. The Center records contributed goods and equipment at fair value at the date of donation. Depreciation of fixed assets is provided on a straight-line basis over their estimated useful lives as follows:

Description	Useful Lives
Building	40 Years
Building Improvements	20 Years
Furniture and Equipment	5-10 Years
Vehicles	5 Years
Software	3 Years

Functional Expenses – The Center summarizes the costs of providing the various programs and supporting services on a functional basis in the statements of activities. Accordingly, it allocates certain costs among the programs and supporting services benefited.

Note 3 – CASH IN EXCESS OF FDIC LIMIT

The Center maintains its primary cash balances at a financial institution located in Lizton, Indiana, which at times may exceed federally insured limits. The Center has not experienced any losses in such accounts and believes they are not unreasonably exposed to any significant risk on cash.

Note 4 – FUNDING CONCENTRATIONS

The Center is funded substantially by grants and contracts awarded directly and indirectly by the United Way, the federal government and the State of Indiana. Approximately 35% and 27% of the Center’s support was received from these sources for years ending December 31, 2015 and 2014. The Federal and State of Indiana funding sources represent 98% and 81% of the Center’s total receivables as of December 31, 2015 and 2014.

Note 5 - PLEDGES RECEIVABLE

The pledges receivable consist of the building project fund-raising campaign. The unconditional promises to give are recorded as pledge receivables and revenue when received. In 2014 it was determined that any pledges that are no longer being paid on should be written off as uncollectible. Total building project campaign uncollectible pledges written off as of December 31, 2015 was $31,417.

Note 6 – CONTRIBUTIONS RECEIVABLE

The Shelter also received conditional promises to give from the United Way that totaled approximately $100,000 and $151,000 at December 31, 2015 and 2014, respectively. As these promises to give are conditional and those conditions were not substantially met at December 31, 2015 and 2014, the Shelter did not record these amounts as contributions receivable.

Note 7 – INVESTMENTS

Investments are composed of the following as of December 31:

	2015		2014	
	Cost	**Market Value**	**Cost**	**Market Value**
Equities	$ 21,972	$ 26,741	$ 16,972	$ 22,533
Total	$ 21,972	$ 26,741	$ 16,972	$ 22,533

For the years ended December 31, 2015 and 2014, net investment income consisted of the following:

	2015	**2014**
Interest	$ 826	$ 495
Unrealized gains (losses)	(791)	1,489
Total	$ 35	$ 1,984

Note 8 – PROPERTY AND EQUIPMENT

The Center's property and equipment consisted of the following as of December 31:

	2015	**2014**
Building – leasehold improvements	$ 3,878,529	$ 3,873,626
Furniture and fixtures	235,931	237,960
Office equipment	137,131	137,131
Vehicles	20,000	20,000
Total – at cost	4,271,591	4,268,717
Less: accumulated depreciation and amortization	973,976	859,658
Net property and equipment	$ 3,297,615	$ 3,409,059

Depreciation expense was $115,941 and $118,712 for the years ended December 31, 2015 and 2014, respectively.

The Indiana Housing Finance Authority awarded the Center a grant of $348,111 for construction of an abused women's shelter. A requirement of that grant is that the Center must maintain the use of the building for twenty-five years in servicing low-income needs. This requirement will expire April 1, 2025.

Note 8 – PROPERTY AND EQUIPMENT (Continued)

The Center's grant of $400,000 (2000) from the Federal Home Loan Bank for the purchase of the original operating facility has a retention period of fifteen years. In connection with the building expansion, the Center received another grant from the Federal Home Loan Bank in the amount of $750,000 (2012) which also has a retention period of fifteen years. A requirement of the grants was that the Center must maintain the use of the building for fifteen years for the intended purpose for which the grants were awarded.

The net book value of the building as of December 31, 2015 and 2014 was $3,223,407 and $3,319,168 respectively.

Note 9 – OPERATING LEASE

The Center leases the land upon which its building resides for $1 per year for a fifty-year term from Hendricks Regional Health. Upon expiration of the lease, all buildings and improvements revert to the landlord. The Shelter has considered recognizing the value of the use of land and determined that it is overall immaterial to the financial statements as a whole and therefore has not been recognized.

Note 10 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at December 31:

	2015	2014
Capital Campaign	$ 984	$ 5,988
Premier Event	6,000	13,000
Temporarily restricted net assets	$ 6,984	$ 18,988

Net assets were released from grant and donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

	2015	2014
Capital Campaign	$ 5,004	$ 37,587
Premier Even	13,000	-
Net assets released from restrictions	$ 18,004	$ 37,587

Note 11 – IN-KIND DONATIONS AND VOLUNTEER SERVICES

The values of donated materials and services that have been reflected in the statement of activities as revenue with a corresponding offset to expense for the years ended December 31 were as follows:

	2015	2014
Professional fees	$ 37,193	$ 10,314
Program supplies and materials	53,406	100,256
Food and beverages	22,542	35,711
Office supplies	1,005	2,102
Postage and shipping	2,042	1,950
Maintenance	1,000	-
Event expenses	51,786	41,462
Total	$ 168,974	$ 191,795

In addition to revenues and expenses reflected in the accompanying financial statements, the Center has significant in-kind services rendered by volunteers to assist them in their mission. These services include program, fundraising and various other services. During 2015 and 2014, volunteers donated 4,945 and 6,630 hours, respectively. These amounts are not reflected in the statement of activities as they do not qualify for recognition under the Not-For-Profit Entities Topic of the FASB Accounting Standards Codification.

Note 12 – SUBSEQUENT EVENTS

The Center has evaluated subsequent events through August 16, 2016, which is the date financial statements were available to be issued. No material subsequent events were identified which would require disclosure and/or adjustment to the financial statements as of December 31, 2015.

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Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Sheltering Wings Center For Women, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Sheltering Wings Center For Women, 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, and have issued our report thereon dated August 16, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sheltering Wings Center For Women, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sheltering Wings Center For Women, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Sheltering Wings Center For Women, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sheltering Wings Center For Women, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kemper CPA Group LLP

Kemper CPA Group LLP
Avon, Indiana

August 16, 2016