



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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December 10, 2009

Board of Directors
Safe Passage, Inc.
P.O. Box 235
Batesville, IN 47006

We have reviewed the audit report prepared by Woodbury & Company, LLC, Independent Public Accountants, for the period July 1, 2005 to June 30, 2006. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Safe Passage, Inc., as of June 30, 2006, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

STATE BOARD OF ACCOUNTS

Safe Passage, Inc.
(A Not-For-Profit Organization)
Batesville, Indiana
Audited Financial Statements

June 30, 2006

Safe Passage, Inc.
Batesville, Indiana
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June 30, 2006

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Woodbury & Company, LLC
Certified Public Accountants
2048 North Morton
Franklin, Indiana 46131

Independent Auditor's Report

Board of Directors
Safe Passage, Inc.
Batesville, Indiana 47006

We have audited the accompanying statement of financial position of Safe Passage, Inc. (a not-for-profit organization) as of June 30, 2006, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Safe Passage, Inc. as of June 30, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Safe Passage, Inc., taken as a whole. The accompanying schedule of expenditures of awards for the year ended June 30, 2006, is presented for purposes of additional analysis and is not a required part of the basic financial statements taken as a whole. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Woodbury & Co., LLC

July 24, 2007
Franklin, Indiana

Safe Passage, Inc.
(A Not-For-Profit Organization)
Statement of Financial Position
As of June 30, 2006

Assets

Current Assets:

Cash	\$ 20,354
Grants Receivable	29,431
Prepaid Insurance	<u>4,623</u>

Total Current Assets \$ 54,408

Property and Equipment:

Land	14,000
Building and Improvements	965,555
Equipment	5,244
Furniture and Fixtures	14,037
Accumulated Depreciation	<u>(56,650)</u>

Property & Equipment, Net 942,186

Other Assets:

Investments (Note 2)	<u>4,317</u>
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Total Assets \$ 1,000,911
=====

Liabilities & Net Assets

Current Liabilities:

Accounts Payable	\$ 4,096
Accrued Compensation	<u>8,674</u>

Total Current Liabilities \$ 12,770

Net Assets:

Unrestricted (Note 7)	577,520
Temporarily Restricted (Note 5)	410,621
Permanently Restricted	<u>-0-</u>

Total Net Assets 988,141

Total Liabilities & Net Assets \$ 1,000,911
=====

NOTES ARE INTEGRAL TO THESE STATEMENTS
SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

Safe Passage, Inc.
(A Not-For-Profit Organization)
Statement of Activities
For the Year Ended June 30, 2006

Changes in Unrestricted Net Assets:

Revenues, Gains, and Other Support

Grants and Contributions	\$ 384,677
Investment Return (Loss) (Note 2)	(173)
Assets Released from Restrictions:	
Grants and Contributions	15,918

Total Revenue 400,422

Expenses

Functional Expenses:

Program Services	370,111
Management and General	70,968
Fundraising	26,968

Total Functional Expenses 468,047

Increase (Decrease) in Unrestricted Net Assets (67,625)

Changes in Temporarily Restricted Net Assets:

Grants and Contributions	10,621
Assets Released from Restrictions:	
Grants and Contributions	(15,918)

Increase (Decrease) in Temporarily Restricted Assets (5,297)

Change in Permanently Restricted Net Assets -0-

Increase (Decrease) in Net Assets (72,922)

Net Assets, Beginning of Year 1,061,063

Net Assets, End of Year \$ 988,141
=====

NOTES ARE INTEGRAL TO THESE STATEMENTS
SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

Safe Passage, Inc.
(A Not-For-Profit Organization)
Statement of Cash Flows
For the Year Ended June 30, 2006

Cash Flows from Operating Activities:

Change in Net Assets	<u>\$ (72,922)</u>
Adjustments to Reconcile Net Assets to Cash Provided by (Used for) Operating Activities:	
Depreciation	28,815
Non-Cash Contributions	(525)
Loss on Sale of Investments	1,172
Change in Fair Value of Investments	(492)
Change in Certain Operating Assets and Liabilities:	
Grants Receivable	46,649
Prepaid Insurance	2,617
Other Receivables	282
Accounts Payable	(2,644)
Accrued Compensation	<u>(2,477)</u>
Total Adjustments	<u>73,397</u>
Net Cash Provided by (Used for) Operating Activities	<u>475</u>

Cash Flows from Investing Activities:

Sale of Investments	3,904
Investment in Property and Equipment	<u>(1,224)</u>
Net Cash Provided by (Used for) Investing Activities	<u>2,680</u>

Net Cash Provided by (Used for) Financing Activities	<u>-0-</u>
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Net Increase (Decrease) in Cash 3,155

Cash at Beginning of Year 17,199

Cash at End of Year \$ 20,354
=====

Supplemental Data:

Income Taxes Paid	\$ -0-
Interest Paid	\$ -0-

Non-Cash Contributions:	
Fair Value of Donated Land Improvements	\$ 525
Fair Value of Donated Supplies	2,992
Less Supplies Expensed	<u>(2,992)</u>
Net Non-Cash Contributions	<u>\$ 525</u>

NOTES ARE INTEGRAL TO THESE STATEMENTS
SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

Safe Passage, Inc.
(A Not-For-Profit Organization)

Statement of Functional Expenses
For the Year Ended June 30, 2006

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$ 202,039	\$ 24,051	\$ 23,405	\$ 249,495
Accounting	-0-	27,468	-0-	27,468
Advertising	2,852	-0-	-0-	2,852
Audit Fees	-0-	13,500	-0-	13,500
Background Checks	260	-0-	-0-	260
Bank Service Charges	-0-	30	-0-	30
Client Assistance	597	-0-	-0-	597
Contracted Services	1,831	-0-	-0-	1,831
Depreciation	28,049	766	-0-	28,815
Dues	1,023	-0-	-0-	1,023
Equipment Rental	2,475	130	-0-	2,605
Equipment Repairs	48	-0-	-0-	48
Health Insurance	33,866	1,431	1,194	36,491
Insurance	11,000	301	-0-	11,301
Meals	400	-0-	-0-	400
Miscellaneous	1,172	-0-	-0-	1,172
Office Supplies	4,620	243	-0-	4,863
Payroll Taxes	15,500	1,958	1,818	19,276
Postage	1,269	67	-0-	1,336
Printing and Publishing	1,733	25	-0-	1,758
Promotions	-0-	-0-	551	551
Rent	6,600	-0-	-0-	6,600
Repairs - Bldg.	10,901	298	-0-	11,199
Supplies - General	276	15	-0-	291
Supplies - Shelter	4,385	-0-	-0-	4,385
Telephone	13,687	-0-	-0-	13,687
Trash Service	642	18	-0-	660
Travel & Training	10,133	264	-0-	10,397
Utilities	14,753	403	-0-	15,156
Total Expenses	\$ 370,111 =====	\$ 70,968 =====	\$ 26,968 =====	\$ 468,047 =====

NOTES ARE INTEGRAL TO THESE STATEMENTS
SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

Safe Passage, Inc.
(A Not-for-Profit Organization)
Notes to Audited Financial Statements
June 30, 2006

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization

Safe Passage, Inc. (the "Organization") was formed in 1998 as an Indiana non-profit organization. The Organization's primary purpose is to be the core provider of a secure and therapeutic residential shelter facility and comprehensive non-residential service for anyone living with the threat of domestic violence throughout the Indiana counties of Dearborn, Franklin, Ohio, Ripley, and Switzerland. Safe Passage, Inc. provides victims of domestic violence resources to achieve personal safety, physical and emotional healing, and building a healthy, violence-free life. The Organization provides domestic violence awareness and education and integrates services from collaborative agencies to serve victims and to end the cycle of violence.

The Organization's primary sources of revenue are from grants and contributions.

Tax Status

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Service Code of the United States.

Basis of Accounting and Presentation

The Organization's policy is to prepare its financial statements on the accrual basis and accordingly reflect all significant receivables, payables, and other assets and liabilities.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Non-Profit Organizations." Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

All grants and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or donor-restricted for specific purposes are reported as temporarily-restricted or permanently-restricted support that increases those net asset classes.

SEE INDEPENDENT AUDITOR'S REPORT

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Safe Passage, Inc.
(A Not-for-Profit Organization)
Notes to Audited Financial Statements
June 30, 2006

(Continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

When a donor-stipulated time restriction ends or a purpose restriction is accomplished, the restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restriction.

If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as unrestricted.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

The Organization follows the practice of capitalizing major expenditures in excess of \$250 for property and equipment. Any maintenance, repairs, or minor renewals are expensed in the year incurred. The fair market value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over the respective estimated useful lives of the depreciable assets as follows:

<u>Assets</u>	<u>Years</u>
Building and Improvements	5-40
Equipment	5
Furniture and Fixtures	6-10

Donated Equipment and Supplies

Donated equipment and supplies are recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as temporarily-restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

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Safe Passage, Inc.
(A Not-for-Profit Organization)
Notes to Audited Financial Statements
June 30, 2006

(Continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services

A substantial number of volunteers have donated significant amounts of their time to the Organization. No amounts have been recognized in the statement of activities because there are no material amounts meeting the criteria for recognition under SFAS No. 116.

Cash and Equivalents

The Organization considers its demand checking accounts, money funds, and cash on hand to be cash and equivalents.

Investments

Investments are stated at fair value with realized and unrealized gains and losses reported on the statement of activities. Donated investments are reflected as contributions at their fair values at date of receipt.

Allocated Expenses

Expenses by function have been allocated among program and supporting service classifications on the basis of time records and on estimates made by the Organization's management.

Advertising

The Organization reports as an expense all advertising costs as they are incurred.

NOTE 2: INVESTMENTS

The Organization's investments are carried at fair value. The fair value and carrying value of the Organization's investments consisted of the following on June 30, 2006:

Hillenbrand Industries Common Stock	\$ 4,317
	=====

SEE INDEPENDENT AUDITOR'S REPORT

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Safe Passage, Inc.
(A Not-for-Profit Organization)
Notes to Audited Financial Statements
June 30, 2006

(Continued)

NOTE 2: INVESTMENTS (Continued)

The following schedule summarizes the investment returns and losses for the year ended June 30, 2006:

Interest and Dividends	\$ 507
Realized & Unrealized Gains (Losses)	<u>(680)</u>
Investment Returns (Losses)	\$ (173)
	=====

NOTE 3: BUILDING LEASES

The Organization has entered into various lease agreements to lease office space on a month-to-month basis. There are no future minimum rental payments under the agreements. The rent expense for the year ended June 30, 2006, was \$6,600.

NOTE 4: FINANCIAL INSTRUMENTS

Concentration of Credit Risk

The Organization's primary sources of revenue are from grants and contributions from donors located in Southeastern Indiana and from the State of Indiana. Due to the nature of the Organization's activity, it performs no credit evaluations and requires no collateral from its donors.

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of grants receivable, money funds, and stock investments. The maximum potential accounting losses if grantors were to fail to completely perform according to the terms of the financial instruments is \$29,431. The maximum potential accounting losses from the money funds and stock investments is \$4,342. The possibility of these losses is remote and is being disclosed to comply with Statement of Financial Accounting Standards No. 105.

SEE INDEPENDENT AUDITOR'S REPORT

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Safe Passage, Inc.
(A Not-for-Profit Organization)
Notes to Audited Financial Statements
June 30, 2006

(Continued)

NOTE 5: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes as of June 30, 2006:

Time Restrictions:	
Building-Related Grants	\$400,000
Purpose Restrictions:	
Building-Related Grants	1,500
Operating Grants	<u>9,121</u>
Total Temporarily Restricted Net Assets	\$410,621 =====

Building-Related Grants

As a part of the shelter renovation, the Organization received a \$400,000 grant from the Indiana Department of Commerce through the City of Batesville, Indiana. Under the grant agreement, the Organization must use the improved real estate for its stated objective for a five-year period ending December 31, 2009. If the Organization fails this use test during the five-year period, it must pay the City of Batesville, Indiana, an amount equal to the current market value of the property less any portion of the value attributable to expenditures of non-grant funds for the acquisition of, or improvements to, the property.

The Organization received various grants for the renovation of its shelter facility in Batesville, Indiana. The unspent grants received for the shelter renovation totaled \$1,500 as of June 30, 2006.

Operating Grants

The Organization received various operating grants during the year ended June 30, 2006. The unspent operating grants totaled \$9,121 as of June 30, 2006.

SEE INDEPENDENT AUDITOR'S REPORT

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Safe Passage, Inc.
(A Not-for-Profit Organization)
Notes to Audited Financial Statements
June 30, 2006

(Continued)

NOTE 6: RIPLEY COUNTY RED CROSS AGREEMENT

On March 4, 2003, the Organization entered into a memorandum of understanding with the Ripley County Red Cross (the "Red Cross"). Under the memorandum the Red Cross made a \$100,000 grant to the Organization for start-up operational and coordination expenses of the Organization. In return for the grant, the Organization is to provide a disaster shelter site and a training site on the first floor of the Organization's building. If the Organization or the Red Cross terminated the agreement within one year of March 4, 2003, a portion of the funds were to be returned to the Red Cross.

NOTE 7: DESIGNATED UNRESTRICTED NET ASSETS

As a part of the Organization's investment and funds utilization policy, the following board-designated restrictions on funds have been established:

Outreach Program Funding	\$ 1,500
5K Money for Continuing Education	<u>1,434</u>
Total Board-Designated Funds	\$ 2,934 =====

Safe Passage, Inc.
(A Not-For-Profit Organization)
Schedule of Expenditures of Awards
For the Year Ended June 30, 2006

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Beginning Award Balance		Grant Awards			Received/ Expended	Expired	Ending Award Balance	
			Federal	State	Federal	State	Total			Federal	State
U.S. DEPARTMENT OF JUSTICE											
Passed through Indiana Criminal Justice Institute											
Victims of Crime Act Victim Assistance											
Grant (VOCA)											
	16.575	04VA020	\$ 12,442	\$ —	\$ 45,000	\$ —	\$ 45,000	\$ 53,692	\$ —	\$ 3,750	\$ —
Total Department of Justice			\$ 12,442	\$ —	\$ 45,000	\$ —	\$ 45,000	\$ 53,692	\$ —	\$ 3,750	\$ —
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT											
Passed through Indiana Housing and Community											
Development Authority											
Emergency Shelter Grant											
	14.231	ES-005-075	\$ 741	\$ —	\$ 12,393	\$ —	\$ 12,393	\$ 13,134	\$ —	\$ —	\$ —
Passed through Indiana Family and Social											
Services Administration											
Domestic Violence and Prevention Grant											
	state dollars	69-05-0F-1934	—	13,772	—	100,000	100,000	104,136	—	—	\$ 9,636
Federal Family Violence Grant											
	93.671	69-05-0T-1934	—	—	27,170	—	27,170	17,850	—	9,320	—
Total Department of Housing			\$ 741	\$ 13,772	\$ 39,563	\$ 100,000	\$ 139,563	\$ 135,120	\$ —	\$ 9,320	\$ 9,636
INDIANA COUNTY AND LOCAL GRANTS											
Ripley County											
	N/A	N/A	\$ —	\$ —	\$ —	\$ 38,000	\$ 38,000	\$ 38,000	\$ —	\$ —	\$ —
Switzerland County											
	N/A	N/A	—	—	—	5,000	5,000	5,000	—	—	—
Town of Vevay											
	N/A	N/A	—	—	—	5,000	5,000	5,000	—	—	—
Total County and Local Grants			\$ —	\$ —	\$ —	\$ 48,000	\$ 48,000	\$ 48,000	\$ —	\$ —	\$ —
Total All Awards			\$ 13,183	\$ 13,772	\$ 84,563	\$ 148,000	\$ 232,563	\$ 236,812	\$ —	\$ 13,070	\$ 9,636