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August 19, 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, 2001 to June 30, 2004. 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, 2004, and the results of its operations for the period then ended, on the basis of accounting described in the report except for the effects of such adjustments, if any, as might have been determined to be necessary had the grant and contribution revenue been susceptible to satisfactory audit tests.

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, 2002, 2003, and 2004

Safe Passage, Inc.  
Batesville, Indiana  
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June 30, 2002, 2003, and 2004

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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 statements of financial position of Safe Passage, Inc. (a not-for-profit organization) as of June 30, 2002, 2003, and 2004, and the related statements of activities, cash flows, and functional expenses for the years 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 audits.

Except as discussed in the following paragraph, 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.

Because of inadequacies in the Organization's accounting records in regard to grant and contribution revenue, it was not practicable for us to extend our audit of such revenue beyond the amounts recorded. Accordingly, we were unable to form an opinion regarding the amount of grant and contribution revenue in the accompanying statements of activities.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the grant and contribution revenue referred to in the preceding paragraph been susceptible to satisfactory audit tests, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Safe Passage, Inc. as of June 30, 2002, 2003, and 2004, 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.

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 years ended June 30, 2002, 2003, and 2004, 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.

*Woodling & Co., LLC*

December 3, 2005  
Franklin, Indiana

Safe Passage, Inc.  
(A Not-For-Profit Organization)  
Statements of Financial Position  
As of June 30, 2002, 2003, and 2004

	<u>2002</u>	<u>2003</u>	<u>2004</u>
<b>Assets</b>			
<b>Current Assets:</b>			
Cash	\$ 22,205	\$ 115,678	\$ 130,217
Grants Receivable	38,359	13,365	55,800
Prepaid Insurance	<u>2,103</u>	<u>2,351</u>	<u>3,552</u>
Total Current Assets	<u>62,667</u>	<u>131,394</u>	<u>189,569</u>
<b>Property and Equipment:</b>			
Land	14,000	14,000	14,000
Buildings and Improvements	466,324	466,324	917,756
Equipment	-0-	-0-	8,135
Accumulated Depreciation	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Property & Equipment, Net	<u>480,324</u>	<u>480,324</u>	<u>939,891</u>
<b>Other Assets:</b>			
Investments (Note 2)	12,971	17,103	10,903
Grant Matching Funds	<u>-0-</u>	<u>45,000</u>	<u>-0-</u>
Total Other Assets	<u>12,971</u>	<u>62,103</u>	<u>10,903</u>
<b>Total Assets</b>	\$ 555,962 =====	\$ 673,821 =====	\$ 1,140,363 =====
<b>Liabilities &amp; Net Assets</b>			
<b>Current Liabilities:</b>			
Accounts Payable	\$ 20,249	\$ 5,036	\$ 5,008
Payroll Liabilities	484	556	-0-
Accrued Compensation	<u>769</u>	<u>808</u>	<u>8,001</u>
Total Current Liabilities	<u>21,502</u>	<u>6,400</u>	<u>13,009</u>
<b>Net Assets:</b>			
Unrestricted	534,460	547,421	670,354
Temporarily Restricted (Note 5)	-0-	120,000	457,000
Permanently Restricted	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Net Assets	<u>534,460</u>	<u>667,421</u>	<u>1,127,354</u>
<b>Total Liabilities &amp; Net Assets</b>	\$ 555,962 =====	\$ 673,821 =====	\$ 1,140,363 =====

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

Safe Passage, Inc.  
(A Not-For-Profit Organization)  
Statements of Activities  
For the Years Ended June 30, 2002, 2003, and 2004

	<u>2002</u>	<u>2003</u>	<u>2004</u>
<b>Changes in Unrestricted Net Assets:</b>			
Revenues, Gains, and Other Support			
Grants and Contributions	\$ 103,438	\$ 108,128	\$ 171,308
Investment Return (Loss) (Note 2)	(1,708)	(486)	1,483
Assets Released from Restrictions:			
Grants and Contributions	<u>-0-</u>	<u>-0-</u>	<u>120,000</u>
<b>Total Revenue</b>	<u>101,730</u>	<u>107,642</u>	<u>292,791</u>
<b>Expenses</b>			
<b>Functional Expenses:</b>			
Program Expenses	68,711	73,697	90,847
Fund Raising	24,944	1,832	29,393
Administration	<u>17,572</u>	<u>19,152</u>	<u>49,618</u>
<b>Total Functional Expenses</b>	<u>111,227</u>	<u>94,681</u>	<u>169,858</u>
<b>Increase (Decrease) in Unrestricted Net Assets</b>	<u>(9,497)</u>	<u>12,961</u>	<u>122,933</u>
<b>Changes in Temporarily Restricted Net Assets:</b>			
Grants and Contributions	-0-	120,000	457,000
Assets Released from Restrictions:			
Grants and Contributions	<u>-0-</u>	<u>-0-</u>	<u>(120,000)</u>
<b>Increase in Temporarily Restricted Assets</b>	<u>-0-</u>	<u>120,000</u>	<u>337,000</u>
<b>Change in Permanently Restricted Net Assets</b>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>Increase (Decrease) in Net Assets</b>	(9,497)	132,961	459,933
<b>Net Assets, Beginning of Year</b>	<u>543,957</u>	<u>534,460</u>	<u>667,421</u>
<b>Net Assets, End of Year</b>	\$ 534,460 =====	\$ 667,421 =====	\$ 1,127,354 =====

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

Safe Passage, Inc.  
(A Not-For-Profit Organization)  
Statements of Cash Flows  
For the Years Ended June 30, 2002, 2003, and 2004

	<u>2002</u>	<u>2003</u>	<u>2004</u>
<b>Cash Flows from Operating Activities:</b>			
Change in Net Assets	\$ (9,497)	\$ 132,961	\$ 459,933
Adjustments to Reconcile Net Assets to Cash Provided by (Used for) Operating Activities:			
Non-Cash Contributions	(19,844)	(5,076)	(4,850)
Change in Fair Value of Investments	2,125	944	(838)
Change in Certain Operating Assets and Liabilities:			
Grants Receivable	(28,358)	24,994	(42,435)
Prepaid Insurance	(2,103)	(248)	(1,201)
Accounts Payable	15,249	(15,213)	(28)
Payroll Liabilities	194	72	(556)
Accrued Compensation	769	39	7,193
Total Adjustments	<u>(31,968)</u>	<u>5,512</u>	<u>(42,715)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(41,465)</u>	<u>138,473</u>	<u>417,218</u>
<b>Cash Flows from Investing Activities:</b>			
Sale of Investments	4,748	-0-	7,038
Change in Grant Matching Funds	-0-	(45,000)	45,000
Investment in Property and Equipment	<u>(2,470)</u>	<u>-0-</u>	<u>(454,717)</u>
Net Cash Provided by (Used for) Investing Activities	<u>2,278</u>	<u>(45,000)</u>	<u>(402,679)</u>
Net Cash Provided by (Used for) Financing Activities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net Increase (Decrease) in Cash	(39,187)	93,473	14,539
Cash at Beginning of Year	<u>61,392</u>	<u>22,205</u>	<u>115,678</u>
Cash at End of Year	\$ 22,205 =====	\$ 115,678 =====	\$ 130,217 =====
<b>Supplemental Data:</b>			
Income Taxes Paid	\$ -0-	\$ -0-	\$ -0-
Interest Paid	\$ -0-	\$ -0-	\$ -0-
<b>Non-Cash Contributions:</b>			
Fair Value of Donated Investments	\$ 19,844	\$ 5,076	\$ -0-
Fair Value of Donated Equipment	-0-	-0-	4,850
Fair Value of Donated Supplies	-0-	455	9,939
Less Supplies Expensed	<u>-0-</u>	<u>(455)</u>	<u>(9,939)</u>
Net Non-Cash Contributions	\$ 19,844 =====	\$ 5,076 =====	\$ 4,850 =====

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

Safe Passage, Inc.  
 (A Not-For-Profit Organization)  
 Statements of Functional Expenses  
 For the Years Ended June 30, 2002, 2003, and 2004

	<u>2002 Program Expenses</u>	<u>2002 Fund Raising</u>	<u>2002 Administration</u>	<u>2002 Totals</u>
Salaries and Wages	\$ 21,717	\$ 1,357	\$ 4,072	\$ 27,146
Travel and Training	1,977	-0-	-0-	1,977
Advertising	-0-	-0-	264	264
Bank Service Charges	-0-	-0-	40	40
Client Assistance	656	-0-	-0-	656
Dues and Subscriptions	-0-	-0-	559	559
Meals	-0-	-0-	102	102
Utilities	-0-	-0-	112	112
Insurance	-0-	-0-	4,244	4,244
Legal and Accounting	-0-	-0-	4,343	4,343
Miscellaneous	-0-	-0-	417	417
Office Expense	589	-0-	-0-	589
Outside Services	39,000	23,500	-0-	62,500
Postage	-0-	-0-	286	286
Rent	-0-	-0-	1,500	1,500
Seminars	-0-	-0-	100	100
Board Expenses	-0-	-0-	728	728
Payroll Tax and Benefits	1,389	87	260	1,736
Taxes and Licenses	-0-	-0-	545	545
Telephone	3,383	-0-	-0-	3,383
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	\$ 68,711	\$ 24,944	\$ 17,572	\$ 111,227
	=====	=====	=====	=====

(CONTINUED)

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

Safe Passage, Inc.  
 (A Not-For-Profit Organization)  
 Statements of Functional Expenses  
 For the Years Ended June 30, 2002, 2003, and 2004

(Continued)

	<u>2003</u> <u>Program</u> <u>Expenses</u>	<u>2003</u> <u>Fund</u> <u>Raising</u>	<u>2003</u> <u>Administration</u>	<u>2003</u> <u>Totals</u>
Salaries and Wages	\$ 27,250	\$ 1,703	\$ 5,109	\$ 34,062
Travel and Training	2,278	-0-	-0-	2,278
Client Assistance	1,253	-0-	-0-	1,253
Dues and Subscriptions	-0-	-0-	737	737
Meals	-0-	-0-	139	139
Utilities	-0-	-0-	99	99
Insurance	-0-	-0-	6,469	6,469
Legal and Accounting	-0-	-0-	3,118	3,118
Miscellaneous	-0-	-0-	76	76
Office Expense	1,189	-0-	1,188	2,377
Outside Services	36,480	-0-	-0-	36,480
Postage	-0-	-0-	906	906
Rent	-0-	-0-	840	840
Board Expenses	-0-	-0-	55	55
Supplies	474	-0-	19	493
Payroll Tax and Benefits	2,063	129	387	2,579
Taxes and Licenses	-0-	-0-	10	10
Telephone	2,710	-0-	-0-	2,710
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenses	\$ 73,697	\$ 1,832	\$ 19,152	\$ 94,681
	=====	=====	=====	=====

(CONTINUED)

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

Safe Passage, Inc.  
 (A Not-For-Profit Organization)  
 Statements of Functional Expenses  
 For the Years Ended June 30, 2002, 2003, and 2004

(Continued)

	<u>2004</u> <u>Program</u> <u>Expenses</u>	<u>2004</u> <u>Fund</u> <u>Raising</u>	<u>2004</u> <u>Administration</u>	<u>2004</u> <u>Totals</u>
Salaries and Wages	\$ 39,778	\$ 24,578	\$ 19,804	\$ 84,160
Travel and Training	4,337	-0-	-0-	4,337
Advertising	-0-	-0-	3,565	3,565
Client Assistance	1,683	-0-	-0-	1,683
Homeless Prevention	134	-0-	-0-	134
Contributions	-0-	-0-	500	500
Dues and Subscriptions	-0-	-0-	1,845	1,845
Utilities	1,817	-0-	3,528	5,345
Insurance	2,253	-0-	4,374	6,627
Legal and Accounting	-0-	-0-	9,032	9,032
Miscellaneous	-0-	-0-	133	133
Office Expense	2,792	-0-	2,791	5,583
Outside Services	18,440	-0-	-0-	18,440
Postage	-0-	-0-	986	986
Promotions	-0-	2,999	-0-	2,999
Rent	748	-0-	1,452	2,200
Seminars	1,359	-0-	-0-	1,359
Board Expenses	-0-	-0-	97	97
Supplies	10,009	-0-	70	10,079
Payroll Tax and Benefits	2,874	1,776	1,431	6,081
Taxes and Licenses	-0-	-0-	10	10
Telephone	4,623	-0-	-0-	4,623
Fund Raising	-0-	40	-0-	40
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	\$ 90,847	\$ 29,393	\$ 49,618	\$ 169,858
	=====	=====	=====	=====

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, 2002, 2003, and 2004

**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, 2002, 2003, and 2004

(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. No depreciation expense has been recorded because the Organization's shelter was not placed into service until June of 2004.

**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.

**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 the criteria for recognition under SFAS No. 116 have not been satisfied.

SEE INDEPENDENT AUDITOR'S REPORT

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(CONTINUED)

Safe Passage, Inc.  
(A Not-for-Profit Organization)  
Notes to Audited Financial Statements  
June 30, 2002, 2003, and 2004

(Continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Cash and Equivalents**

The Organization considers its demand checking accounts, money funds, and cash on hand to be cash 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, 2002, 2003, and 2004:

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Hillenbrand Industries Common Stock	\$ 12,971	\$ 11,654	\$ 5,380
Eli Lilly Common Stock	<u>-0-</u>	<u>5,449</u>	<u>5,523</u>
Total Investments	\$ 12,971 =====	\$ 17,103 =====	\$ 10,903 =====

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Safe Passage, Inc.  
 (A Not-for-Profit Organization)  
 Notes to Audited Financial Statements  
 June 30, 2002, 2003, and 2004

(Continued)

**NOTE 2: INVESTMENTS (Continued)**

The following schedule summarizes the investment returns and losses for the years ended June 30, 2002, 2003, and 2004:

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Interest and Dividends	\$ 417	\$ 458	\$ 645
Realized & Unrealized Gains (Losses)	<u>(2,125)</u>	<u>(944)</u>	<u>838</u>
Investment Returns (Losses)	\$ (1,708) =====	\$ (486) =====	\$ 1,483 =====

**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 years ended June 30, 2002, 2003, and 2004 was as follows:

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Rent Expense	\$ 1,500 =====	\$ 840 =====	\$ 2,200 =====

**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 cash balances at a financial institution in excess of the \$100,000 Federal Deposit Insurance Corporation insured amount, grants receivable, money funds, and stock investments. The maximum potential accounting losses from the excess cash balances are \$15,396 and \$29,599 for the years ended June 30, 2003 and 2004, respectively. The maximum potential accounting losses if grantors were to fail

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Safe Passage, Inc.  
 (A Not-for-Profit Organization)  
 Notes to Audited Financial Statements  
 June 30, 2002, 2003, and 2004

(Continued)

**NOTE 4: FINANCIAL INSTRUMENTS (Continued)**

to completely perform according to the terms of the financial instruments are \$38,359, \$13,365, and \$55,800 for the years ended June 30, 2002, 2003, and 2004, respectively. The maximum potential accounting losses from the money funds and stock investments are \$13,204, \$17,375, and \$11,415 for the years ended June 30, 2002, 2003, and 2004, respectively. The possibility of these losses is remote and is being disclosed to comply with Statement of Financial Accounting Standards No. 105.

**NOTE 5: TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes as of June 30, 2002, 2003, and 2004:

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Time Restrictions:			
Ripley County Red Cross Agreement	\$ -0-	\$ 75,000	\$ -0-
Building-Related Grants & Contributions	-0-	-0-	400,000
Purpose Restrictions:			
Building-Related Grants & Contributions	-0-	45,000	17,000
Advocate Grants	-0-	-0-	40,000
Total Temporarily Restricted Net Assets	\$ -0-	\$120,000	\$457,000
	=====	=====	=====

**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

SEE INDEPENDENT AUDITOR'S REPORT

Safe Passage, Inc.  
(A Not-for-Profit Organization)  
Notes to Audited Financial Statements  
June 30, 2002, 2003, and 2004

(Continued)

NOTE 5: TEMPORARILY RESTRICTED NET ASSETS (Continued)

the funds were to be returned to the Red Cross. As of June 30, 2003, the returnable portion of the funds totaled \$75,000.

**Building-Related Grants and Contributions**

The Organization received various grants and contributions for the renovation of its shelter facility in Batesville, Indiana. The unspent grants and contributions received for the shelter renovation totaled \$45,000 and \$17,000 for the years ended June 30, 2003 and 2004, respectively.

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 period of five years from completion of the renovation. 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.

**Advocate Grants**

In the year ended June 30, 2004, the Organization received one grant totaling \$40,000 to be used for advocate-related costs. These funds had not been spent as of June 30, 2004.

Safe Passage, Inc.  
 (A Not-For-Profit Organization)  
 Statements of Functional Expenses  
 For the Years Ended June 30, 2002, 2003, and 2004

(Continued)

	<u>2004 Program Expenses</u>	<u>2004 Fund Raising</u>	<u>2004 Administration</u>	<u>2004 Totals</u>
Salaries and Wages	\$ 39,778	\$ 24,578	\$ 19,804	\$ 84,160
Travel and Training	4,337	-0-	-0-	4,337
Advertising	-0-	-0-	3,565	3,565
Client Assistance	1,683	-0-	-0-	1,683
Homeless Prevention	134	-0-	-0-	134
Contributions	-0-	-0-	500	500
Dues and Subscriptions	-0-	-0-	1,845	1,845
Utilities	1,817	-0-	3,528	5,345
Insurance	2,253	-0-	4,374	6,627
Legal and Accounting	-0-	-0-	9,032	9,032
Miscellaneous	-0-	-0-	133	133
Office Expense	2,792	-0-	2,791	5,583
Outside Services	18,440	-0-	-0-	18,440
Postage	-0-	-0-	986	986
Promotions	-0-	2,999	-0-	2,999
Rent	748	-0-	1,452	2,200
Seminars	1,359	-0-	-0-	1,359
Board Expenses	-0-	-0-	97	97
Supplies	10,009	-0-	70	10,079
Payroll Tax and Benefits	2,874	1,776	1,431	6,081
Taxes and Licenses	-0-	-0-	10	10
Telephone	4,623	-0-	-0-	4,623
Fund Raising	-0-	40	-0-	40
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Total Expenses	\$ 90,847	\$ 29,393	\$ 49,618	\$ 169,858
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NOTE:  
SEE ACCO