



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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October 14, 2011

Board of Directors
The Wabash Independent Living
and Learning Center, Inc.
4312 S. Seventh Street
Terre Haute, IN 47802

We have reviewed the audit report prepared by Brady, Ware & Schoenfeld, Inc., Independent Public Accountants, for the period October 1, 2007 to September 30, 2008. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts except the report contains an opinion only on the statement of financial position. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of The Wabash Independent Living and Learning Center, Inc., as of September 30, 2008, 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

**THE WABASH INDEPENDENT LIVING
AND LEARNING CENTER, INC.**

(A Nonprofit Organization)

STATEMENT OF FINANCIAL POSITION

YEAR ENDED SEPTEMBER 30, 2008

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

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YEAR ENDED SEPTEMBER 30, 2008

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INDEPENDENT AUDITORS' REPORT

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Board of Directors
The Wabash Independent Living and Learning Center, Inc.
Terre Haute, Indiana

We have audited the accompanying statement of financial position of **The Wabash Independent Living and Learning Center, Inc.** (a nonprofit organization) as of September 30, 2008. This statement is the responsibility of the management of **The Wabash Independent Living and Learning Center, Inc.** Our responsibility is to express an opinion on this financial statement based upon 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 statement of financial position is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial position. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial position presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial position referred to above presents fairly, in all material respects, the financial position of **The Wabash Independent Living and Learning Center, Inc.** as of September 30, 2008, in conformity with accounting principles generally accepted in the United States of America.

Brady, Ware & Schoenfeld, Inc.

Richmond, Indiana
October 5, 2009

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2008

ASSETS

CURRENT ASSETS

Cash	\$	24,771
Grants receivable		84,608
Other receivables		390
Prepaid expenses		<u>2,008</u>

111,777

PROPERTY AND EQUIPMENT, NET

88,584

\$ 200,361

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	53,244
Accrued expenses		35,283
Line of credit		20,000
Current portion of long-term liability		<u>5,861</u>

114,388

LONG-TERM LIABILITY, NET OF CURRENT MATURITY

17,723

132,111

NET ASSETS

Unrestricted		<u>68,250</u>
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\$ 200,361

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

NOTES TO STATEMENT OF FINANCIAL POSITION

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Wabash Independent Living and Learning Center, Inc. (the "Organization") was incorporated as a not-for-profit organization in July 2000 under the laws of the State of Indiana. The Organization's mission is to empower persons with disabilities. The Organization promotes a philosophy of independent/interdependent living for individuals with disabilities, including a philosophy of consumer control, peer support, self-help, self-determination, equal access, and individual and system advocacy. The Organization provides services in Clay, Parke, Putnam, Vermillion, and Vigo counties in the State of Indiana. The Organization's revenue and support are mainly derived from governmental grants.

Basis of Accounting - The Organization's statement of financial position has been prepared on the accrual basis of accounting and accordingly reflects all significant receivables, payables and other liabilities.

Basis of Presentation - The Organization's financial presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-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.

Unrestricted Net Assets - Unrestricted net assets include unrestricted resources, including donations, gifts, and bequests, available for the use of the Organization's programs over which the Board of Directors has discretionary control.

Temporarily Restricted Net Assets - Temporarily restricted net assets include contributions and grants for which donor imposed restrictions have not been met. These restrictions will be satisfied by actions of the Organization.

Permanently Restricted Net Assets - Permanently restricted net assets are resources whose use is permanently restricted by donors. The Organization does not have any permanently restricted net assets.

As of September 30, 2008, the Organization had no temporarily restricted or permanently restricted net assets.

Financial Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Contributions - The Organization accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

NOTES TO STATEMENT OF FINANCIAL POSITION

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a 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. Restricted contributions whose restrictions are met in the same reporting period are recorded as unrestricted contributions.

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as increases in restricted net assets. Absent explicit donor stipulations regarding how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Donations with specified time stipulations are recorded as increases in temporarily restricted net assets. The Organization reclassifies these temporarily restricted net assets to unrestricted net assets each year for the amount based on donor specified time or usage stipulations.

Concentration of Credit Risk - Financial instruments that are exposed to concentrations of credit risk consist of grants receivable. Grants receivable are principally with government agencies and are carried at estimated net realizable values.

Concentration of Grants - Approximately 99% of the Organization's public support and revenue is provided from grants from the Indiana Family and Social Services Administration, Division of Disability and Rehabilitative Services.

Receivables - Accounts are charged off when doubtful of collection (the direct write-off method). The Organization believes the difference between the direct write-off method and the allowance method required by generally accepted accounting principles to be immaterial. Management deems an account to be uncollectible when all collection efforts have failed. Collection efforts include follow up with consumers and other customers.

Property and Equipment - Equipment is recorded at cost when purchased or at fair value when received as a donation. The Organization capitalizes purchased or donated property and equipment when the cost or fair value is \$500 or more and its estimated useful life exceeds one year. Depreciation is computed using the straight-line method over the useful lives of the assets. Routine repairs and maintenance are expensed as incurred.

Promotional Expenses - Promotional costs are expensed as incurred.

Income Taxes - The Organization is a nonprofit organization and is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for income taxes is presented in these financial statements. The Organization is not considered to be a private foundation.

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

NOTES TO STATEMENT OF FINANCIAL POSITION

NOTE B - PROPERTY AND EQUIPMENT

Office equipment and furniture	\$	49,352
Vehicle and related equipment		<u>45,155</u>
Total cost		94,507
Less accumulated depreciation		<u>5,923</u>
	\$	<u>88,584</u>

NOTE C - EMPLOYEE BENEFITS

The Organization has a Section 403(b) Tax-Sheltered Annuity Salary Reduction Agreement (TSA Program). All eligible employees may make tax deferred contributions to the TSA Program at an amount or percentage of their choosing. The Organization is not obligated to contribute to an employee's TSA account.

NOTE D - OPERATING LEASE

The Organization is obligated under an operating lease for its building which commenced on September 1, 2008 and expires on May 30, 2010. The Organization is responsible for paying all utilities for the facility as well as interior maintenance. Future minimum lease payments over the next two years are as follows:

2009	\$	17,400
2010		11,600

NOTE E - LINE OF CREDIT

The Organization has a \$25,000 line of credit available with a bank which expired August 15, 2009. The agreement states that interest is payable monthly at 1.00% above the national prime rate (5.00% at September 30, 2008). The line of credit is unsecured. Outstanding borrowings on the line of credit at September 30, 2008 were \$20,000. As of the date of the accompanying statement of financial position the Organization had not renewed this line of credit.

NOTE F - LONG-TERM LIABILITY

Note payable, bank, \$584 due monthly including interest at 5.50%, maturing June 2012, secured by a vehicle.	\$	23,584
Less current maturities		<u>(5,861)</u>
	\$	<u>17,723</u>

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

NOTES TO STATEMENT OF FINANCIAL POSITION

NOTE F - LONG-TERM LIABILITY - continued

Current maturities of notes payable for the subsequent four years are as follows:

2009	\$	5,861
2010		6,192
2011		6,541
2012		<u>4,990</u>
	\$	<u>23,584</u>

NOTE G - COMPLIANCE WITH GRANTOR RESTRICTIONS

Financial awards from governmental entities are periodically subject to special audit by those entities. Such audits may result in claims against the Organization for disallowed costs or noncompliance with contract or grant restrictions. The Organization is currently undergoing an audit by the Indiana Family and Social Services Administration (FSSA). Management is of the opinion the ultimate outcome of this audit will not have a material impact on the Organization's financial position. Accordingly, no provision for potential claims that may result from FSSA's examination has been reflected in the accompanying statement of financial position as such amounts cannot be reasonably determined.