B43504

STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

May 23, 2014

Board of Directors
The Wabash Independent Living & Learning Center
One Dreiser Square
Terre Haute, IN 47807-0000

We have reviewed the audit report prepared by Brady, Ware & Schoenfeld, Inc., for the period October 1, 2012 to September 30, 2013. 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 Wabash Independent Living & Learning Center, as of September 30, 2013, 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.

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

(A Nonprofit Organization)

FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2013 AND 2012

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

TABLE OF CONTENTS

YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	Page
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 11

BRADY WARE
& SCHOENFELD

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of **The Wabash Independent Living and Learning Center, Inc.** (a nonprofit organization), which comprise the statements of financial position as of September 30, 2013 and 2012, 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.

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.

BRADY WARE
& SCHOENFELD

INDEPENDENT AUDITORS' REPORT - CONTINUED

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **The Wabash Independent Living and Learning Center, Inc.** as of September 30, 2013 and 2012, 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.

Brady, Ware & Schoenfeld, Inc.

Richmond, Indiana
January 15, 2014

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2013 AND 2012

	2013	2012
ASSETS		
CURRENT ASSETS		
Cash	$ 150,632	$ 147,391
Grants receivable	134,719	134,492
Prepaid expenses and other assets	4,359	5,856
	289,710	287,739
PROPERTY AND EQUIPMENT, NET	49,162	60,289
	$ 338,872	$ 348,028
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 10,403	$ 4,903
Unearned grant funds	20,022	12,127
	30,425	17,030
NET ASSETS		
Unrestricted	306,736	329,332
Temporarily restricted	1,711	1,666
	308,447	330,998
	$ 338,872	$ 348,028

See notes to financial statements.

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2013

	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT AND REVENUE			
Governmental grants	$ 521,488	$ -	**$ 521,488**
Contributions	6,788	100	**6,888**
Special events, net of direct costs of $250	3,173	-	**3,173**
Other income	97	-	**97**
Total Public Support and Revenue	531,546	100	**531,646**
NET ASSETS RELEASED FROM RESTRICTIONS	55	(55)	**-**
	531,601	45	**531,646**
EXPENSES			
Program services	514,900	-	**514,900**
Administration	39,297	-	**39,297**
Total Expenses	554,197	-	**554,197**
CHANGE IN NET ASSETS	(22,596)	45	**(22,551)**
NET ASSETS			
Beginning of year	329,332	1,666	**330,998**
End of year	$ 306,736	$ 1,711	**$ 308,447**

See notes to financial statements.

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2012

	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT AND REVENUE			
Governmental grants	$ 525,937	$ -	**$ 525,937**
Contributions	14,451	-	**14,451**
Special events, net of direct costs of $365	1,235	-	**1,235**
Other loss	(1,584)	-	**(1,584)**
Total Public Support and Revenue	540,039	-	**540,039**
NET ASSETS RELEASED FROM RESTRICTIONS	6,800	(6,800)	**-**
	546,839	(6,800)	**540,039**
EXPENSES			
Program services	492,113	-	**492,113**
Administration	40,288	-	**40,288**
Total Expenses	532,401	-	**532,401**
CHANGE IN NET ASSETS	14,438	(6,800)	**7,638**
NET ASSETS			
Beginning of year	314,894	8,466	**323,360**
End of year	$ 329,332	$ 1,666	**$ 330,998**

See notes to financial statements.

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2013

	Program Services	Administration	Total
Salaries and wages	$ 351,065	$ 17,567	**$ 368,632**
Payroll taxes	32,369	1,620	**33,989**
Benefits	4,143	573	**4,716**
Total salaries, wages, and related expenses	387,577	19,760	**407,337**
Office rent expense	19,200	4,800	**24,000**
Utilities and telephone	2,398	599	**2,997**
Professional expenses	19,829	4,957	**24,786**
Insurance	2,629	657	**3,286**
Advertising and promotion	12,979	-	**12,979**
Vehicle expenses	2,194	-	**2,194**
Small equipment and maintenance	6,992	1,748	**8,740**
Supplies, printing and postage	9,463	2,366	**11,829**
Program expenses	31,436	-	**31,436**
Travel	3,209	802	**4,011**
Miscellaneous	6,572	867	**7,439**
Depreciation	10,422	2,605	**13,027**
Penalties	-	136	**136**
	$ 514,900	$ 39,297	**$ 554,197**

See notes to financial statements.

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2012

	Program Services	Administration	Total
Salaries and wages	$ 335,881	$ 15,584	$ 351,465
Payroll taxes	31,268	1,451	32,719
Benefits	1,913	15	1,928
Total salaries, wages, and related expenses	369,062	17,050	386,112
Office rent expense	18,729	4,682	23,411
Utilities and telephone	5,358	1,340	6,698
Professional expenses	25,648	8,730	34,378
Insurance	3,964	991	4,955
Advertising and promotion	3,151	-	3,151
Vehicle expenses	3,193	-	3,193
Small equipment and maintenance	4,799	1,200	5,999
Supplies, printing and postage	8,605	2,151	10,756
Program expenses	31,917	-	31,917
Travel	2,906	727	3,633
Miscellaneous	4,822	927	5,749
Depreciation	9,959	2,490	12,449
	$ 492,113	$ 40,288	$ 532,401

See notes to financial statements.

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	2013	2012
OPERATING ACTIVITIES		
Change in net assets	$ (22,551)	$ 7,638
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	13,027	12,449
Loss on disposals of property and equipment	-	1,760
	(9,524)	21,847
Changes in operating assets and liabilities:		
Grants receivable	(227)	(23,055)
Contributions receivable	-	2,751
Prepaid expenses and other assets	1,497	(138)
Accounts payable and accrued expenses	5,499	3,581
Unearned grant funds	7,895	12,127
Net Cash Provided by Operating Activities	5,140	17,113
INVESTING ACTIVITIES		
Purchases of property and equipment	(1,899)	(22,418)
FINANCING ACTIVITIES		
Payments on long-term liability	-	(9,189)
NET INCREASE (DECREASE) IN CASH	3,241	(14,494)
CASH		
Beginning of year	147,391	161,885
End of year	$ 150,632	$ 147,391
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Equipment additions included in accounts payable	$ -	$ 2,240

See notes to financial statements.

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, Owen, and Vigo counties in west central Indiana. The Organization's revenue and support are mainly derived from governmental grants.

Basis of Accounting - The Organization's financial statements have been prepared on the accrual basis of accounting, and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation - The Organization's financial presentation follows the recommendations of accounting standards. Under those standards, 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.

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.

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Contributions - The Organization accounts for contributions in accordance with accounting standards. In these standards, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

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 statements of activities as net assets released from restrictions. Restricted contributions whose restrictions are met in the same reporting period are recorded as unrestricted contributions.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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 primarily of grants receivable. Grants receivable are from government agencies and are carried at estimated net realizable values.

Concentration of Grants - Approximately 98% and 97% of the Organization's public support and revenue are provided from grants from the Indiana Family and Social Services Administration (FSSA), Division of Disability and Rehabilitative Services, for the years ended September 30, 2013 and 2012, respectively.

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.

Unearned Grant Funds - Revenue associated with the Independent Living Grant from FSSA is recognized when related expenses are incurred. Amounts received in advance of incurring related expenses are considered unearned grant funds, and are reflected as such in the liability section of the statements of financial position.

Advertising and Promotion Expense - Advertising and promotion costs are expensed as incurred. Advertising and promotion expense was $12,979 and $3,151 for the years ended September 30, 2013 and 2012, respectively.

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.

Uncertainty in Tax Positions - The Organization has adopted accounting rules that prescribe when to recognize, and how to measure, the financial statement effects of income tax positions taken, or expected to be taken, on its income tax returns. These rules require management to evaluate the likelihood that, upon examination by relevant taxing jurisdictions, those income tax positions would be sustained. Based on that evaluation, the Organization only recognizes the maximum benefit of each income tax position that is more than 50% likely of being sustained. To the extent that all or a portion of the benefits of an income tax position are not recognized, a liability would be recognized for the unrecognized benefits, along with any interest and penalties that would result from disallowance of the position. Should any such penalties and interest be incurred, they would be recognized as operating expenses.

Based on its review, management does not believe the Organization has taken any material uncertain tax positions, including any position that would place the Organization's exempt status in jeopardy as of September 30, 2013. The federal tax returns of the Organization for 2009, 2010, and 2011 are subject to examination by taxing authority, generally for three years after the due date.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Subsequent Events - In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 15, 2014, the date the financial statements were available to be issued.

NOTE B - PROPERTY AND EQUIPMENT

	2013	2012
Office equipment and furniture	$ 94,043	$ 92,143
Vehicle and related equipment	10,005	10,005
Total cost	104,048	102,148
Less accumulated depreciation	54,886	41,859
	$ 49,162	$ 60,289

NOTE C - TEMPORARILY RESTRICTED NET ASSETS

	2013	2012
Assisted living devices	$ 1,611	$ 1,666
Wheelchair ramps	100	-
	$ 1,711	$ 1,666

NOTE D - OPERATING LEASES

The Organization is obligated under operating lease agreements for its building and copier with original five year terms. The building lease agreement has an option for a one year renewal. The Organization is responsible for paying telephone and Internet expenses as well as interior maintenance of the building. The rent expense for the building and copier leases was $28,047 and $26,841 for the years ended September 30, 2013 and 2012, respectively.

Future minimum lease payments over the next four years are as follows:

2014	$ 26,640
2015	26,640
2016	26,640
2017	11,100

NOTE E - COMPLIANCE WITH GRANTOR RESTRICTIONS

Financial awards from governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grant restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be reasonably determined at this time.