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February 1, 2018

Board of Directors
Living Well In Wabash County CoA, Inc.
239 Bond St., PO Box 447
Wabash, IN 46992

We have reviewed the report prepared by Living Well In Wabash County CoA, Inc. and opined upon by Rea Logan & Co., LLC, Independent Public Accountants, for the period January 1, 2016 to December 31, 2016. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Living Well In Wabash County CoA, Inc. as of December 31, 2016 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Rea Logan & Co., LLC prepared all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

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


Paul D. Joyce, CPA
State Examiner

**LIVING WELL IN WABASH COUNTY COA, INC.
WABASH, INDIANA**

FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

**LIVING WELL IN WABASH COUNTY COA, INC.
WABASH, INDIANA**

FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

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INDEPENDENT AUDITOR'S REPORT

To the Officers and the Board of Directors
Living Well in Wabash County CoA, Inc.
Wabash, Indiana

We have audited the accompanying financial statements of Living Well in Wabash County CoA, Inc. (a nonprofit corporation), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the year 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 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 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Living Well in Wabash County CoA, Inc. (a nonprofit corporation), as of December 31, 2016 and 2015, 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.

Rea Logan & Co., LLC

Wabash, Indiana
September 18, 2017

LIVING WELL IN WABASH COUNTY COA, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016 AND 2015

ASSETS

	<u>2016</u>	<u>2015</u>
CURRENT ASSETS:		
Cash	\$ 110,433	\$ 94,037
Accounts receivable	38,278	100,295
Equipment deposit	-	100
Prepaid expenses	9,596	4,517
	<hr/>	<hr/>
Total Current Assets	158,307	198,949
	<hr/>	<hr/>
FIXED ASSETS:		
Office equipment	131,447	131,447
Transportation vehicles	524,094	524,094
	<hr/>	<hr/>
	655,541	655,541
Less: accumulated depreciation	524,713	470,525
	<hr/>	<hr/>
Net Fixed Assets	130,828	185,016
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 289,135</u>	<u>\$ 383,965</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 27,611	\$ 57,792
Accrued payroll and payroll taxes	2,667	3,323
	<hr/>	<hr/>
TOTAL LIABILITIES	<u>30,278</u>	<u>61,115</u>
	<hr/>	<hr/>
NET ASSETS:		
Unrestricted	233,929	297,833
Temporarily restricted	24,928	25,017
	<hr/>	<hr/>
Total Net Assets	258,857	322,850
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 289,135</u>	<u>\$ 383,965</u>

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

LIVING WELL IN WABASH COUNTY COA, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>Unrestricted</u>		<u>Temporarily Restricted</u>		<u>Totals</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
REVENUES AND OTHER SUPPORT:						
Grants	\$ -	\$ -	392,735	513,484	\$ 392,735	\$ 513,484
Government allocation	87,100	87,000	5,000	5,000	92,100	92,000
Medicaid reimbursement	23,030	22,688	-	-	23,030	22,688
United Fund of Wabash County	22,000	22,000	-	-	22,000	22,000
Program income	56,088	59,596	-	-	56,088	59,596
Donations	141,250	138,174	-	-	141,250	138,174
In-kind donations	48,677	64,665	-	-	48,677	64,665
Rental income	3,291	4,239	-	-	3,291	4,239
Endowment income (net of expenses)	21,547	4,389	-	-	21,547	4,389
Net assets released from restrictions; satisfaction of program requirements	397,824	524,013	(397,824)	(524,013)	-	-
TOTAL REVENUES AND OTHER SUPPORT	800,807	926,764	(89)	(5,529)	800,718	921,235
EXPENSES:						
Transportation	462,593	473,487	-	-	462,593	473,487
Senior Center	370,119	383,682	-	-	370,119	383,682
Fundraising	31,999	14,082	-	-	31,999	14,082
TOTAL EXPENSES	864,711	871,251	-	-	864,711	871,251
INCREASE(DECREASE)IN NET ASSETS	(63,904)	55,513	(89)	(5,529)	(63,993)	49,984
NET ASSETS - beginning of year	297,833	242,320	25,017	30,546	322,850	272,866
NET ASSETS - end of year	\$ 233,929	\$ 297,833	\$ 24,928	\$ 25,017	\$ 258,857	\$ 322,850

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

LIVING WELL IN WABASH COUNTY COA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>Transportation</u>		<u>Senior Center</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Salaries and wages	\$ 251,925	\$ 239,139	\$ 182,101	\$ 170,630
Payroll taxes & fringe benefits	19,449	31,077	32,590	16,206
Travel and meetings	1,303	2,098	3,079	5,247
Program expenses	65,838	72,858	23,651	30,856
Supplies	39	183	2,546	2,086
Postage	30	34	1,578	1,709
Promotional	166	1,104	6,411	27,382
Professional fees	34,787	37,459	51,382	48,017
Training	1,300	238	150	1,428
Telephone	931	933	1,866	1,854
Insurance	29,234	24,679	12,529	10,549
Utilities	5,001	5,006	18,469	16,978
Repairs and maintenance	-	1,038	-	9,459
Food pantry	-	-	13,884	20,492
Depreciation expense	47,287	52,288	6,901	6,334
Membership fees	50	100	2,155	3,628
In-kind rent	5,253	5,253	10,827	10,827
TOTAL EXPENSES	<u>\$ 462,593</u>	<u>\$ 473,487</u>	<u>\$ 370,119</u>	<u>\$ 383,682</u>

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

<u>Fund Raising</u>		<u>Totals</u>	
<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
\$ -	\$ -	\$ 434,026	\$ 409,769
-	-	52,039	47,283
41	176	4,423	7,521
2,850	3,774	92,339	107,488
-	-	2,585	2,269
1,989	659	3,597	2,402
24,582	4,855	31,159	33,341
2,537	4,618	88,706	90,094
-	-	1,450	1,666
-	-	2,797	2,787
-	-	41,763	35,228
-	-	23,470	21,984
-	-	-	10,497
-	-	13,884	20,492
-	-	54,188	58,622
-	-	2,205	3,728
-	-	16,080	16,080
<u>\$ 31,999</u>	<u>\$ 14,082</u>	<u>\$ 864,711</u>	<u>\$ 871,251</u>

LIVING WELL IN WABASH COUNTY COA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash from contributions, grants, programs, and miscellaneous	\$ 792,511	\$ 816,242
Cash paid to suppliers and employees	(775,945)	(709,454)
Interest paid	(270)	(54)
Net Cash Provided by Operating Activities	<u>16,296</u>	<u>106,734</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Equipment deposit	100	(100)
Purchases of fixed assets	-	(135,717)
Net Cash Provided (Used) by Investing Activities	<u>100</u>	<u>(135,817)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from line of credit	75,000	10,000
Payments on line of credit	(75,000)	(10,000)
Net Cash Provided by Financing Activities	<u>-</u>	<u>-</u>
INCREASE (DECREASE) IN CASH	16,396	(29,083)
CASH AT BEGINNING OF YEAR	<u>94,037</u>	<u>123,120</u>
CASH AT END OF YEAR	<u>\$ 110,433</u>	<u>\$ 94,037</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ (63,993)	\$ 49,984
Adjustments to reconciled change in net cash provided by operating activities:		
Depreciation expense	54,188	58,622
Decrease (increase) in accounts receivable	62,017	(35,939)
Decrease (increase) in prepaid expenses	(5,079)	(195)
Increase (decrease) in accounts payable	(30,181)	43,966
Increase (decrease) in accrued payroll	(656)	(9,704)
Total Adjustments	<u>80,289</u>	<u>56,750</u>
Net Cash Provided by Operating Activities	<u>\$ 16,296</u>	<u>\$ 106,734</u>

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

LIVING WELL IN WABASH COUNTY COA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Living Well in Wabash County CoA, Inc. (Organization) exists to assist the citizens of Wabash County in meeting their social, physical, economic, and mobility needs with an emphasis on people age 60 and over. The Organization is supported by government allocations, services, grants, and donations.

The significant accounting policies followed by Living Well in Wabash County CoA, Inc. are the following:

Basis of Accounting – The financial statements of Living Well in Wabash County CoA, Inc. have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation – 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.

Use of 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 at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – For the purpose of the statements of financial position and the statements of cash flows, cash and cash equivalents consist of cash and other highly liquid resources, such as investments in certificates of deposit and money market funds, with an original maturity of three months or less when purchased.

Accounts Receivable – Accounts receivable are reported at the amount management expects to collect on balances outstanding at year end. A provision for doubtful accounts has not been established, as management considers all accounts to be collectable based on a favorable history over a substantial period of time. The Organization periodically evaluates its receivables and then charges off uncollectible accounts receivable as contra-revenue bad debts when management determines the receivable will not be collected.

Property, Plant, and Equipment – Property, plant, and equipment are stated at cost, if purchased, or at fair value at the date of gift, if donated, less accumulated depreciation. Additions with a cost or fair value of less than \$1,000 are expensed.

Depreciation of property, plant, and equipment is provided using the straight-line method for financial reporting purposes at rates based on the following items:

Office equipment	5 years
Transportation vehicles	5 years

LIVING WELL IN WABASH COUNTY COA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED):

Restricted and Unrestricted Revenue – Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restrictions.

Donated Services – Many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments. The value of this time is not reflected in the accompanying financial statements since the volunteer's time does not meet the criteria for recognition.

In-Kind Contributions – In-kind contributions are recorded at fair market value and recognized in the accounting period when they are received.

Expense Allocation – The costs of providing various programs and other activities are categorized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising Costs – The Organization's policy is to expense advertising costs as they are incurred. Advertising expenses for the years ended December 31, 2016 and 2015 were \$31,158 and \$33,341, respectively.

Compensated Absences – Employees of the Organization are entitled to paid vacation (and sick days) depending on job classification, length of service, and other factors. It is impractical to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated balances when actually paid to employees.

Income Taxes – The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). The Organization complies with other Internal Revenue reporting requirements regarding contributions received, payroll, and payments to independent contractors. The Organization believes that 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.

LIVING WELL IN WABASH COUNTY COA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 2 – CONCENTRATIONS OF CREDIT RISK:

The Organization maintains all cash balances at one financial institution located in Wabash County, Indiana. The balances are covered by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2016 and 2015, there were no uninsured balances.

NOTE 3 – BENEFICIAL INTEREST:

The Organization is allocated a spendable amount from the funds held at the Community Foundation of Wabash County each year. At December 31, 2016 and 2015, the spendable amounts included as cash equivalents in the Statements of Financial Position totaled \$14,551 and \$4,389, respectively.

NOTE 4 – LINE OF CREDIT:

The Organization has a \$50,000 revolving line of credit for 2016 and 2015. Bank advances on the credit line are payable on demand and carries an initial interest rate of 6.759% for both 2016 and 2015. This rate is subject to change from time to time based on changes in Commercial Base Rate index. The rate is calculated at 3.5 percentage points under the index. There was no balance on the line of credit as of December 31, 2016 and 2015. Interest paid for 2016 was \$270 and is included in program expenses.

NOTE 5 – NET ASSETS:

There are no permanently restricted assets at December 31, 2016 and 2015. Temporarily restricted net assets are to be used for building repairs. The temporarily restricted at December 31, 2016 and 2015 were \$24,928 and \$25,017, respectively.

NOTE 6 – GOVERNMENT CONTRIBUTIONS:

The Organization received government contributions from the following entities:

	<u>2016</u>	<u>2015</u>
Federal - Section 5311	\$ 242,769	\$ 358,759
PMTF	111,705	117,052
Title III B - Area Five	25,940	14,990
City of Wabash	45,000	45,000
Town of North Manchester	19,000	19,000
Wabash County Council	28,100	28,000
	<u>\$ 472,514</u>	<u>\$ 582,801</u>

LIVING WELL IN WABASH COUNTY COA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 7 – DONATED SERVICES:

The value of donated services included as in-kind contributions in the financial statements and expenses for the years ended 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Accounting services	\$ 7,400	\$ 7,400
Advertising services	21,450	23,400
Program expenses	3,747	17,785
Total	<u>\$ 32,597</u>	<u>\$ 48,585</u>

NOTE 8 – LEASE ARRANGEMENTS:

The Organization has a building lease agreement with the City of Wabash. The lease agreement became effective July 1, 1999 for a ten-year term. The terms of agreement are for \$1.00 per year. The lease expired on July 1, 2009. It is now on a month to month with the same terms. However, the fair market rental value of the property is \$16,080, which is recorded as an in-kind donation for 2016 and 2015.

The Organization had a noncancellable operating lease of a copier. The Organization signed the new copier lease in June 2016, with a June 2021 expiration date. The Organization is required to pay all executory costs such as a property tax and insurance. Rental expense for the years ended December 31, 2016 and 2015 was \$9,169 and \$9,107, respectively.

Total lease payments required in the next five years is as follows under the above agreement: 2017, \$6,571; 2018, \$6,571; 2019, \$6,571; 2020, \$6,571; and 2021, \$3,286.

NOTE 9 – TAX DEFERRED ANNUITY PLAN:

The Organization has a tax deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers all full-time employees of the Organization. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. The Organization provided no matching contribution.

NOTE 10 – SUBSEQUENT EVENTS:

Subsequent events were evaluated through September 18, 2017, which is the date the financial statements were available to be issued.