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March 29, 2018

Board of Directors  
The Wabash Independent Living and Learning Center, Inc.  
One Dreiser Square  
Terre Haute, IN 47807

We have reviewed the report prepared by The Wabash Independent Living and Learning Center, Inc. and opined upon by Brady, Ware & Schoenfeld, Inc., Independent Public Accountants, for the period October 1, 2015 to September 30, 2016. Per the *Independent Auditors' Report* 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, 2016 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Brady, Ware & Schoenfeld, Inc. 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

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

**(A Nonprofit Organization)**

**FINANCIAL STATEMENTS**

**YEARS ENDED SEPTEMBER 30, 2016 AND 2015**

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

**TABLE OF CONTENTS**

**YEARS ENDED SEPTEMBER 30, 2016 AND 2015**

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	<b>Page</b>
<b>INDEPENDENT AUDITORS' REPORT</b>	1 - 2
<b>FINANCIAL STATEMENTS</b>	
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

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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, 2016 and 2015, 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 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 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.

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## INDEPENDENT AUDITORS' REPORT - CONTINUED

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### 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, 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.

*Brady, Ware & Schoenfeld, Inc.*

Richmond, Indiana  
January 18, 2017

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2016 AND 2015

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	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
CURRENT ASSETS		
Cash	\$ 124,199	\$ 135,091
Grants receivable	150,781	156,422
Prepaid expenses	<u>9,337</u>	<u>4,320</u>
	284,317	295,833
PROPERTY AND EQUIPMENT, NET	<u>35,820</u>	<u>48,337</u>
	<u>\$ 320,137</u>	<u>\$ 344,170</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	<u>\$ 2,645</u>	<u>\$ 10,672</u>
NET ASSETS		
Unrestricted	312,479	328,635
Temporarily restricted	<u>5,013</u>	<u>4,863</u>
	<u>317,492</u>	<u>333,498</u>
	<u>\$ 320,137</u>	<u>\$ 344,170</u>

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2016

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	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>			
Governmental grants	\$ 529,598	\$ -	\$ 529,598
Contributions	6,872	150	7,022
Other income	<u>206</u>	<u>-</u>	<u>206</u>
Total Public Support and Revenue	536,676	150	536,826
<b>EXPENSES</b>			
Program services	513,688	-	513,688
Administration	<u>39,144</u>	<u>-</u>	<u>39,144</u>
Total Expenses	<u>552,832</u>	<u>-</u>	<u>552,832</u>
<b>CHANGE IN NET ASSETS</b>	(16,156)	150	(16,006)
<b>NET ASSETS</b>			
Beginning of year	<u>328,635</u>	<u>4,863</u>	<u>333,498</u>
End of year	<u>\$ 312,479</u>	<u>\$ 5,013</u>	<u>\$ 317,492</u>

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2015

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	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>			
Governmental grants	\$ 545,884	\$ -	\$ 545,884
Contributions	<u>11,989</u>	<u>4,252</u>	<u>16,241</u>
Total Public Support and Revenue	557,873	4,252	562,125
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>1,402</u>	<u>(1,402)</u>	<u>-</u>
	<u>559,275</u>	<u>2,850</u>	<u>562,125</u>
<b>EXPENSES</b>			
Program services	507,939	-	507,939
Administration	<u>39,337</u>	<u>-</u>	<u>39,337</u>
Total Expenses	<u>547,276</u>	<u>-</u>	<u>547,276</u>
<b>CHANGE IN NET ASSETS</b>	11,999	2,850	14,849
<b>NET ASSETS</b>			
Beginning of year	<u>316,636</u>	<u>2,013</u>	<u>318,649</u>
End of year	<u>\$ 328,635</u>	<u>\$ 4,863</u>	<u>\$ 333,498</u>

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2016

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	<u>Program Services</u>	<u>Administration</u>	<u>Total</u>
Salaries and wages	\$ 353,593	\$ 17,575	\$ 371,168
Payroll taxes	32,291	1,605	33,896
Benefits	<u>2,818</u>	<u>242</u>	<u>3,060</u>
Total salaries, wages, and related expenses	388,702	19,422	408,124
Office rent expense	19,200	4,800	24,000
Utilities and telephone	4,268	1,067	5,335
Professional expenses	19,399	4,850	24,249
Insurance	3,212	803	4,015
Advertising and promotion	7,983	-	7,983
Interest and service charges	-	8	8
Vehicle expenses	1,924	-	1,924
Small equipment and maintenance	4,366	1,092	5,458
Supplies, printing and postage	6,909	1,727	8,636
Program expenses	33,901	-	33,901
Travel	6,517	1,629	8,146
Miscellaneous	6,790	1,117	7,907
Depreciation	<u>10,517</u>	<u>2,629</u>	<u>13,146</u>
	<u>\$ 513,688</u>	<u>\$ 39,144</u>	<u>\$ 552,832</u>

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2015

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	<b>Program Services</b>	<b>Administration</b>	<b>Total</b>
Salaries and wages	\$ 342,946	\$ 17,583	\$ 360,529
Payroll taxes	31,347	1,607	32,954
Benefits	<u>2,959</u>	<u>277</u>	<u>3,236</u>
Total salaries, wages, and related expenses	377,252	19,467	396,719
Office rent expense	19,200	4,800	24,000
Utilities and telephone	3,045	761	3,806
Professional expenses	19,639	4,910	24,549
Insurance	3,325	831	4,156
Advertising and promotion	2,906	-	2,906
Vehicle expenses	2,414	-	2,414
Small equipment and maintenance	4,923	1,231	6,154
Supplies, printing and postage	6,771	1,693	8,464
Program expenses	41,807	-	41,807
Travel	6,303	1,576	7,879
Miscellaneous	9,111	1,257	10,368
Depreciation	<u>11,243</u>	<u>2,811</u>	<u>14,054</u>
	<u>\$ 507,939</u>	<u>\$ 39,337</u>	<u>\$ 547,276</u>

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED SEPTEMBER 30, 2016 AND 2015

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	<u>2016</u>	<u>2015</u>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ (16,006)	\$ 14,849
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	<u>13,146</u>	<u>14,054</u>
	<u>(2,860)</u>	<u>28,903</u>
Changes in operating assets and liabilities:		
Grants receivable	5,640	(24,464)
Prepaid expenses	(5,017)	2,191
Accounts payable and accrued expenses	(8,026)	4,291
Unearned grant funds	<u>-</u>	<u>(10,958)</u>
Net Cash Used by Operating Activities	(10,263)	(37)
<b>INVESTING ACTIVITIES</b>		
Purchases of property and equipment	<u>(629)</u>	<u>(2,610)</u>
<b>NET DECREASE IN CASH</b>	(10,892)	(2,647)
<b>CASH</b>		
Beginning of year	<u>135,091</u>	<u>137,738</u>
End of year	<u>\$ 124,199</u>	<u>\$ 135,091</u>

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

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE 1 - 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. Any fundraising costs incurred are considered immaterial and are included in administration expenses.

***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.

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

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE 1 - 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 99% 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 2016 and 2015. The entire grants receivable balance at September 30, 2016 and 2015 was due from FSSA.

**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.

The Organization reviews for impairment of long-lived assets in accordance with accounting standards. These standards require organizations to determine if changes in circumstances indicate that the carrying amount of its long-lived assets may not be recoverable. If a change in circumstances warrants such an evaluation, undiscounted future cash flows from the use and ultimate disposition of the asset, as well as respective market values, are estimated to determine if an impairment exists. Management believes that there has been no impairment of the carrying value of its long-lived assets at September 30, 2016 and 2015.

**Advertising and Promotion Expense** - Advertising and promotion costs are expensed as incurred. Advertising and promotion expense was \$7,983 and \$2,906 for the years 2016 and 2015.

**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** - Accounting standards require the evaluation of tax positions taken, or expected to be taken, in the course of preparing the Organization's tax returns, to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. This statement provides that a tax benefit from an uncertain tax position may be recognized in the financial statements only when it is "more-likely-than-not" the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based upon the technical merits and consideration of all available information. Once the recognition threshold is met, the portion of the tax benefit that is recorded represents the largest amount of tax benefit that is greater than 50 percent likely to be realized upon settlement with a taxing authority. 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, 2016.

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

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**NOTE 1 - 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 18, 2017, the date the financial statements were available to be issued.

**NOTE 2 - PROPERTY AND EQUIPMENT**

	<u>2016</u>	<u>2015</u>
Office equipment and furniture	\$ 98,640	\$ 98,011
Vehicle and related equipment	<u>19,685</u>	<u>19,685</u>
Total cost	118,325	117,696
Less accumulated depreciation	<u>82,505</u>	<u>69,359</u>
	<u>\$ 35,820</u>	<u>\$ 48,337</u>

**NOTE 3 - TEMPORARILY RESTRICTED NET ASSETS**

	<u>2016</u>	<u>2015</u>
Assisted living devices	\$ 1,611	\$ 1,611
Disability awareness talent show	150	-
Veteran's services	<u>3,252</u>	<u>3,252</u>
	<u>\$ 5,013</u>	<u>\$ 4,863</u>

**NOTE 4 - 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 \$27,208 and \$28,074 for the years 2016 and 2015.

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

2017	\$	12,061
2018		2,061
2019		2,061
2020		2,061
2021		859

**NOTE 5 - 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.