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June 7, 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, 2016 to September 30, 2017. 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, 2017 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, 2017 AND 2016

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

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YEARS ENDED SEPTEMBER 30, 2017 AND 2016

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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, 2017 and 2016, 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

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, 2017 and 2016, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of schedule of federal, state and local revenue on page 12 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records, used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Richmond, Indiana
January 17, 2018

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 149,474	\$ 124,199
Grants receivable	142,092	150,781
Accounts receivable	191	-
Prepaid expenses	<u>3,433</u>	<u>9,337</u>
	295,190	284,317
PROPERTY AND EQUIPMENT, NET	<u>24,689</u>	<u>35,820</u>
	<u>\$ 319,879</u>	<u>\$ 320,137</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	<u>\$ 14,685</u>	<u>\$ 2,645</u>
NET ASSETS		
Unrestricted	298,176	312,479
Temporarily restricted	<u>7,018</u>	<u>5,013</u>
	<u>305,194</u>	<u>317,492</u>
	<u>\$ 319,879</u>	<u>\$ 320,137</u>

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
Governmental grants	\$ 538,624	\$ -	\$ 538,624
Contributions	19,116	2,005	21,121
Other income	<u>1,045</u>	<u>-</u>	<u>1,045</u>
Total Public Support and Revenue	558,785	2,005	560,790
EXPENSES			
Program services	534,860	-	534,860
Administration	<u>38,228</u>	<u>-</u>	<u>38,228</u>
Total Expenses	<u>573,088</u>	<u>-</u>	<u>573,088</u>
CHANGE IN NET ASSETS	(14,303)	2,005	(12,298)
NET ASSETS			
Beginning of year	<u>312,479</u>	<u>5,013</u>	<u>317,492</u>
End of year	<u>\$ 298,176</u>	<u>\$ 7,018</u>	<u>\$ 305,194</u>

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
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
EXPENSES			
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>
CHANGE IN NET ASSETS	(16,156)	150	(16,006)
NET ASSETS			
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 FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2017

	Program Services	Administration	Total
Salaries and wages	\$ 371,060	\$ 17,109	\$ 388,169
Payroll taxes	32,835	1,514	34,349
Benefits	<u>3,177</u>	<u>340</u>	<u>3,517</u>
Total Salaries, Wages, and Related Expenses	407,072	18,963	426,035
Office rent expense	19,200	4,800	24,000
Utilities and telephone	4,023	1,006	5,029
Professional expenses	18,692	4,673	23,365
Insurance	3,304	826	4,130
Advertising and promotion	2,898	-	2,898
Vehicle expenses	2,600	-	2,600
Small equipment and maintenance	3,291	823	4,114
Supplies, printing and postage	9,765	2,441	12,206
Program expenses	44,334	-	44,334
Travel	3,494	874	4,368
Miscellaneous	6,510	1,403	7,913
Depreciation	<u>9,677</u>	<u>2,419</u>	<u>12,096</u>
	<u>\$ 534,860</u>	<u>\$ 38,228</u>	<u>\$ 573,088</u>

See notes to financial statements.

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2016

	Program Services	Administration	Total
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.

STATEMENTS OF CASH FLOWS

YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
OPERATING ACTIVITIES		
Change in net assets	\$ (12,298)	\$ (16,006)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	<u>12,096</u>	<u>13,146</u>
	(202)	(2,860)
Changes in operating assets and liabilities:		
Grants receivable	8,690	5,640
Accounts receivable	(191)	-
Prepaid expenses	5,904	(5,017)
Accounts payable and accrued expenses	<u>12,039</u>	<u>(8,026)</u>
Net Cash Provided (Used) by Operating Activities	26,240	(10,263)
INVESTING ACTIVITIES		
Purchases of property and equipment	<u>(965)</u>	<u>(629)</u>
NET INCREASE (DECREASE) IN CASH	25,275	(10,892)
CASH		
Beginning of year	<u>124,199</u>	<u>135,091</u>
End of year	<u>\$ 149,474</u>	<u>\$ 124,199</u>

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

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.

NOTES TO FINANCIAL STATEMENTS

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 95% and 99% 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 2017 and 2016. Approximately 98% and 100% of the grants receivable balance at September 30, 2017 and 2016 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, 2017 and 2016.

Advertising and Promotion Expense - Advertising and promotion costs are expensed as incurred. Advertising and promotion expense was \$2,898 and \$7,983 for the years 2017 and 2016.

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, 2017.

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

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 17, 2018, the date the financial statements were available to be issued.

NOTE 2 - PROPERTY AND EQUIPMENT

	<u>2017</u>	<u>2016</u>
Office equipment and furniture	\$ 99,605	\$ 98,640
Vehicle and related equipment	<u>19,685</u>	<u>19,685</u>
Total cost	119,290	118,325
Less accumulated depreciation	<u>94,601</u>	<u>82,505</u>
	<u>\$ 24,689</u>	<u>\$ 35,820</u>

NOTE 3 - TEMPORARILY RESTRICTED NET ASSETS

	<u>2017</u>	<u>2016</u>
Assisted living devices	\$ 1,611	\$ 1,611
Chapter 2	553	-
Acorn fund	700	-
Disability awareness talent show	902	150
Veteran's services	<u>3,252</u>	<u>3,252</u>
	<u>\$ 7,018</u>	<u>\$ 5,013</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 \$25,782 and \$27,208 for the years 2017 and 2016.

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

2018	\$	12,061
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.

THE WABASH INDEPENDENT LIVING AND LEARNING CENTER, INC.

SCHEDULE OF FEDERAL, STATE AND LOCAL REVENUE

YEAR ENDED SEPTEMBER 30, 2017

<u>Program Name</u>	<u>Grantor Name</u>	<u>Federal CFDA Number</u>	<u>Amounts Received</u>	<u>Amounts Disbursed</u>	<u>Source of Funding</u>
Independent Living Services	Indiana Family and Social Services Administration (FSSA)	84.169	\$ 161,812	\$ 161,812	State Grant
Independent Living Services	Indiana Family and Social Services Administration (FSSA)	84.169	269,405	264,285	Federal Grant Pass Through State
Rehabilitation Services	Indiana Family and Social Services Administration (FSSA)	84.177	<u>101,612</u>	<u>101,612</u>	Federal Grant Pass Through State
Total Federal, State and Local Revenue			<u>\$ 532,829</u>	<u>\$ 527,709</u>	

Note A - Basis of Presentation

The amounts received and the amounts disbursed reported on the Schedule of Federal, State and Local Revenue are reported on the accrual basis of accounting.