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AN EQUAL OPPORTUNITY EMPLOYER

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July 11, 2018

Board of Directors  
Independent Living Center of Eastern Indiana, Inc.  
1818 West Main Street  
Richmond, IN 47374

We have reviewed the report prepared by Independent Living Center of Eastern Indiana, 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 Independent Living Center of Eastern Indiana, 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*  
Paul D. Joyce, CPA  
State Examiner

**INDEPENDENT LIVING CENTER OF  
EASTERN INDIANA, INC.**

**(A Nonprofit Organization)**

**FINANCIAL STATEMENTS**

**YEARS ENDED SEPTEMBER 30, 2017 AND 2016**

**INDEPENDENT LIVING CENTER OF EASTERN INDIANA, INC.**

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**YEARS ENDED SEPTEMBER 30, 2017 AND 2016**

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**BRADY WARE**  
& SCHOENFELD

## INDEPENDENT AUDITORS' REPORT

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Board of Directors  
**Independent Living Center of Eastern Indiana, Inc.**  
Richmond, Indiana

We have audited the accompanying financial statements of **Independent Living Center of Eastern Indiana, 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

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### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Independent Living Center of Eastern Indiana, 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 Federal, State and Local Revenue on page 14 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 26, 2018

INDEPENDENT LIVING CENTER OF EASTERN INDIANA, INC.

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
CURRENT ASSETS		
Cash	\$ 211,710	\$ 197,493
Grants receivable	95,834	94,274
Other receivables	-	1,224
Inventory - at cost	8,931	7,888
Prepaid expenses	<u>3,427</u>	<u>3,435</u>
	319,902	304,314
BENEFICIAL INTEREST IN FUNDS HELD BY OTHERS	12,855	11,440
PROPERTY AND EQUIPMENT, NET	<u>16,902</u>	<u>15,009</u>
	<u>\$ 349,659</u>	<u>\$ 330,763</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES		
Accounts payable	\$ 7,449	\$ 14,971
Accrued expenses	<u>28,802</u>	<u>30,681</u>
	<u>36,251</u>	<u>45,652</u>
NET ASSETS		
Unrestricted	265,059	251,480
Temporarily restricted	<u>48,349</u>	<u>33,631</u>
	<u>313,408</u>	<u>285,111</u>
	<u>\$ 349,659</u>	<u>\$ 330,763</u>

INDEPENDENT LIVING CENTER OF EASTERN INDIANA, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2017

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	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>			
Governmental grants	\$ 555,217	\$ -	\$ 555,217
Contributions	21,940	17,167	39,107
Product sales, net of cost of sales of \$15,789	3,793	-	3,793
Change in beneficial interest in funds held by others	1,415	-	1,415
Other income	<u>3,240</u>	<u>-</u>	<u>3,240</u>
Total Public Support and Revenue	585,605	17,167	602,772
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>2,449</u>	<u>(2,449)</u>	<u>-</u>
	<u>588,054</u>	<u>14,718</u>	<u>602,772</u>
<b>EXPENSES</b>			
Program services	435,374	-	435,374
Administration	123,793	-	123,793
Fundraising	<u>15,308</u>	<u>-</u>	<u>15,308</u>
Total Expenses	<u>574,475</u>	<u>-</u>	<u>574,475</u>
<b>CHANGE IN NET ASSETS</b>	13,579	14,718	28,297
<b>NET ASSETS</b>			
Beginning of year	<u>251,480</u>	<u>33,631</u>	<u>285,111</u>
End of year	<u>\$ 265,059</u>	<u>\$ 48,349</u>	<u>\$ 313,408</u>

INDEPENDENT LIVING CENTER OF EASTERN INDIANA, 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	\$ 555,217	\$ -	\$ 555,217
Contributions	29,194	10,738	39,932
Product sales, net of cost of sales of \$22,054	6,187	-	6,187
Change in beneficial interest in funds held by others	(97)	-	(97)
Other income	<u>6,456</u>	<u>-</u>	<u>6,456</u>
Total Public Support and Revenue	596,957	10,738	607,695
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>574</u>	<u>(574)</u>	<u>-</u>
	<u>597,531</u>	<u>10,164</u>	<u>607,695</u>
<b>EXPENSES</b>			
Program services	455,306	-	455,306
Administration	120,049	-	120,049
Fundraising	<u>9,770</u>	<u>-</u>	<u>9,770</u>
Total Expenses	<u>585,125</u>	<u>-</u>	<u>585,125</u>
<b>CHANGE IN NET ASSETS</b>	12,406	10,164	22,570
<b>NET ASSETS</b>			
Beginning of year	<u>239,074</u>	<u>23,467</u>	<u>262,541</u>
End of year	<u>\$ 251,480</u>	<u>\$ 33,631</u>	<u>\$ 285,111</u>

**INDEPENDENT LIVING CENTER OF EASTERN INDIANA, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED SEPTEMBER 30, 2017**

	<b>Program Services</b>	<b>Administration</b>	<b>Fundraising</b>	<b>Total</b>
Salaries and wages	\$ 229,971	\$ 76,344	\$ 12,835	\$ 319,150
Payroll taxes	17,396	5,775	971	24,142
Benefits	<u>26,919</u>	<u>8,936</u>	<u>1,502</u>	<u>37,357</u>
Total Salaries, Wages and Related Expenses	274,286	91,055	15,308	<b>380,649</b>
Rent expense	17,865	1,985	-	<b>19,850</b>
Utilities and telephone	14,050	1,561	-	<b>15,611</b>
Professional expenses	3,029	12,116	-	<b>15,145</b>
Insurance	6,960	773	-	<b>7,733</b>
Repairs and maintenance	4,555	505	-	<b>5,060</b>
Advertising and promotion	4,396	231	-	<b>4,627</b>
Interest and service charges	-	650	-	<b>650</b>
Mini grants	20,861	-	-	<b>20,861</b>
Small equipment and maintenance	59,174	10,442	-	<b>69,616</b>
Supplies, printing and postage	4,342	766	-	<b>5,108</b>
Internet service	2,122	374	-	<b>2,496</b>
Travel	5,378	598	-	<b>5,976</b>
Memberships	906	160	-	<b>1,066</b>
Miscellaneous	6,037	1,065	-	<b>7,102</b>
Depreciation	3,728	658	-	<b>4,386</b>
Training and conferences	<u>7,685</u>	<u>854</u>	<u>-</u>	<u>8,539</u>
	<b><u>\$ 435,374</u></b>	<b><u>\$ 123,793</u></b>	<b><u>\$ 15,308</u></b>	<b><u>\$ 574,475</u></b>

**INDEPENDENT LIVING CENTER OF EASTERN INDIANA, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED SEPTEMBER 30, 2016**

	<b>Program Services</b>	<b>Administration</b>	<b>Fundraising</b>	<b>Total</b>
Salaries and wages	\$ 231,811	\$ 76,329	\$ 8,255	\$ 316,395
Payroll taxes	17,692	5,825	630	24,147
Benefits	<u>24,845</u>	<u>8,181</u>	<u>885</u>	<u>33,911</u>
Total Salaries, Wages and Related Expenses	274,348	90,335	9,770	374,453
Rent expense	19,483	2,165	-	21,648
Utilities and telephone	13,328	1,481	-	14,809
Professional expenses	2,316	9,263	-	11,579
Insurance	6,903	767	-	7,670
Repairs and maintenance	4,460	495	-	4,955
Advertising and promotion	14,583	768	-	15,351
Interest and service charges	-	529	-	529
Mini grants	30,045	-	-	30,045
Small equipment and maintenance	46,012	8,120	-	54,132
Supplies, printing and postage	5,066	894	-	5,960
Internet service	2,105	371	-	2,476
Travel	6,764	752	-	7,516
Memberships	731	129	-	860
Miscellaneous	8,740	1,542	-	10,282
Depreciation	2,589	457	-	3,046
Training and conferences	<u>17,833</u>	<u>1,981</u>	<u>-</u>	<u>19,814</u>
	<u>\$ 455,306</u>	<u>\$ 120,049</u>	<u>\$ 9,770</u>	<u>\$ 585,125</u>

**INDEPENDENT LIVING CENTER OF EASTERN INDIANA, INC.****STATEMENTS OF CASH FLOWS****YEARS ENDED SEPTEMBER 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ 28,297	\$ 22,570
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,386	3,046
Net change in value of beneficial interest in funds held by others	<u>(1,415)</u>	<u>97</u>
	<b>31,268</b>	<b>25,713</b>
Changes in operating assets and liabilities:		
Grants receivable	(1,560)	(2,765)
Other receivables	1,224	(864)
Inventory	(1,043)	86
Prepaid expenses	8	(104)
Accounts payable	(7,523)	1,390
Accrued expenses	<u>(1,879)</u>	<u>(2,984)</u>
Net Cash Provided by Operating Activities	<b>20,495</b>	<b>20,472</b>
<b>INVESTING ACTIVITIES</b>		
Purchases of property and equipment	<u>(6,278)</u>	<u>(800)</u>
<b>NET INCREASE IN CASH</b>	<b>14,217</b>	<b>19,672</b>
<b>CASH</b>		
Beginning of year	<u>197,493</u>	<u>177,821</u>
End of year	<u>\$ 211,710</u>	<u>\$ 197,493</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Noncash transactions:		
Property and equipment additions financed by accounts payable	<u>\$ -</u>	<u>\$ 7,690</u>

# INDEPENDENT LIVING CENTER OF EASTERN INDIANA, INC.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Independent Living Center of Eastern Indiana, Inc.** (the "Organization") was incorporated as a nonprofit organization in September 1998 under the laws of the State of Indiana. The Organization's mission is to empower persons with disabilities. The Organization provides independent living services, including transition and diversion, Chapter 2 services for people 55 or older, blind or visually impaired, and independent living products. The Organization provides services in Fayette, Franklin, Henry, Decatur, Rush, Union and Wayne Counties. The Organization's revenue and support are mainly derived from governmental grants.

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

***Basis of Presentation*** - Accounting standards require the Organization 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 statement 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 the recommendations of accounting standards. In accordance with these accounting 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 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.

## INDEPENDENT LIVING CENTER OF EASTERN INDIANA, 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 of grants receivable. Grants receivable are principally with government agencies and are carried at estimated net realizable values.

**Concentration of Grants** - Approximately 91% and 92% of the Organization's public support and revenue is provided from grants from the Indiana Family and Social Services Administration (FSSA), Division of Disability and Rehabilitative Services, for the years 2017 and 2016. The entire grants receivable balance at September 30, 2017 and 2016 was due from FSSA.

**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.

**Inventory** - The Organization values its independent living products inventory at cost on a first-in, first-out basis.

**Beneficial Interest in Funds Held by Others** - The Organization has established the "Independent Center Endowment Fund with the Wayne County, Indiana, Foundation, Inc. (the "Foundation"). The ordinary income, capital appreciation (realized and unrealized), and principal allocable to the fund, net of fees and expenses, may be committed, granted, or expended pursuant to the spending policy of the Foundation. The Board of Directors of the Organization may also direct the Foundation to reinvest any or all of the net income. The Foundation's spending policy is designed to take into account total return concepts of investment and spending, with the goal of preserving the real spending power of endowments over time, while balancing the need for consistent spending to support the charitable purposes of the endowment. The Board of Directors of the Foundation has the authority to vary donor restrictions if continued adherence to that restriction becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served by the Foundation. The Board of Directors of the Organization may request to invade the principal of the fund. The Board of Directors of the Foundation may then approve that request so long as its use will be in keeping with the mission of the Organization.

In accordance with accounting standards, the Organization's statements of financial position reflect the beneficial interest in assets held by others, and its statements of activities reflect the related investment activity.

**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 \$750 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.

INDEPENDENT LIVING CENTER OF EASTERN INDIANA, INC.

NOTES TO FINANCIAL STATEMENTS

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

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 Expense** - Advertising costs are expensed as incurred. Advertising and promotion expense was \$4,627 and \$15,351 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.

**Subsequent Events** - In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 26, 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	\$ 83,243	\$ 84,716
Leasehold improvements	<u>1,583</u>	<u>1,583</u>
Total cost	84,826	86,299
Less accumulated depreciation	<u>67,924</u>	<u>71,290</u>
	<u>\$ 16,902</u>	<u>\$ 15,009</u>

The cost of certain closed-captioned televisions and other equipment purchased using Chapter 2 Grant funds have been reflected as program expenses in the accompanying statements of activities. This equipment is made available to eligible consumers at no charge on an as needed basis.

**INDEPENDENT LIVING CENTER OF EASTERN INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 - BENEFICIAL INTEREST IN FUNDS HELD BY OTHERS**

The following is a summary of changes in endowment net assets for the years ended September 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Unrestricted endowment funds, beginning of year	\$ 11,440	\$ 11,537
Change in beneficial interest in endowed funds held by others	<u>1,415</u>	<u>(97)</u>
Unrestricted endowment funds, end of year	<u>\$ 12,855</u>	<u>\$ 11,440</u>

The funds maintained by the Foundation also includes \$2,500 of matching funds provided by the Foundation, and related activity that have not been included in the Organization's financial statements.

**NOTE 4 - FAIR VALUE MEASUREMENTS**

Fair values of the Organization's financial assets measured on a recurring basis at September 30, 2017 and 2016 are as follows:

		<u>2017</u>			
		<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>Assets</b>					
	Beneficial interest in funds held by others	<u>\$ 12,855</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,855</u>
		<u>2016</u>			
		<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>Assets</b>					
	Beneficial interest in funds held by others	<u>\$ 11,440</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,440</u>

*Beneficial interest in funds held by others:* Valued and held by the Wayne County Foundation.

The following table sets forth a summary of changes in the fair value of the Organization's Level 3 assets for the years ended September 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 11,440	\$ 11,537
Change in beneficial interest in endowed funds held by others	<u>1,415</u>	<u>(97)</u>
Balance, end of year	<u>\$ 12,855</u>	<u>\$ 11,440</u>

**INDEPENDENT LIVING CENTER OF EASTERN INDIANA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS**

	<u>2017</u>	<u>2016</u>
Consumer fund	\$ 9,382	\$ 7,293
Staff activity fund	3,655	3,295
Mission fund	7,305	8,099
Assisted devices	11,650	13,305
Wheelchair ramps	<u>16,357</u>	<u>1,639</u>
	<u>\$ 48,349</u>	<u>\$ 33,631</u>

**NOTE 6 - OPERATING LEASE**

The Organization is obligated under an operating lease for its administrative office space which commenced on November 1, 2014, and expired on November 1, 2017. The lease is now continuing on a month-to-month basis. Monthly rent is \$550. The Organization is responsible for paying its own telephone and Internet service fees.

The Organization is also obligated under an operating lease for its consumer services office space which commenced on May 16, 2013, and expired on May 16, 2016. The lease is now continuing on a month-to-month basis. Monthly rent is \$900. The Organization is responsible for paying for all utilities.

Total rent expense for the years 2017 and 2016 was \$19,850 and \$21,648.

**NOTE 7 - LINE OF CREDIT**

The Organization has a \$75,000 line of credit available with a bank with no expiration date. Interest is payable monthly at 3.384% below the bank's commercial rate (9.509% at September 30, 2017 and 2016). The line of credit is secured by accounts receivable, inventory, and equipment of the Organization. There were no outstanding borrowings on the line of credit at September 30, 2017 and 2016.

**NOTE 8 - 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.

**INDEPENDENT LIVING CENTER OF EASTERN INDIANA, INC.**

**SCHEDULE OF FEDERAL, STATE AND LOCAL REVENUE**

**YEAR ENDED SEPTEMBER 30, 2017**

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<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	269,405	Federal Grant Pass Through State
Rehabilitation Services	Indiana Family and Social Services Administration (FSSA)	84.177	<u>124,000</u>	<u>124,000</u>	Federal Grant Pass Through State
Total Federal, State and Local Revenue			<u>\$ 555,217</u>	<u>\$ 555,217</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.