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September 24, 2019

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

We have reviewed the audit report of Living Well In Wabash County CoA, Inc. which was opined upon by Rea Logan & Co., LLC, Independent Public Accountants, for the period January 1, 2017 to December 31, 2017. Per the *Independent Auditors' 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, 2017 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 the audit report in accordance with 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

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

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

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

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

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**INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of Living Well in Wabash County CoA, Inc. (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2017, 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, 2017, 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.

***Emphasis of Matter***

As discussed in Note 1 to the financial statements, as of and for the year ended December 31, 2017, the Living Well in Wabash County CoA, Inc. adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

*Rea Logan & Co., LLC*

Wabash, Indiana  
September 21, 2018

**LIVING WELL IN WABASH COUNTY COA, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2017**

**ASSETS**

	<b>2017</b>
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	\$ 157,392
Accounts receivable	61,366
Prepaid expenses	1,802
<b>Total Current Assets</b>	220,560
Property, plant, and equipment, net	87,633
<b>TOTAL ASSETS</b>	<b>\$ 308,193</b>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES:</b>	
Accounts payable	\$ 15,446
Accrued payroll and payroll taxes	1,996
<b>TOTAL LIABILITIES</b>	17,442
<b>NET ASSETS:</b>	
Without donor restrictions	266,287
With donor restrictions	24,464
<b>TOTAL NET ASSETS</b>	290,751
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 308,193</b>

See Accompanying Notes to Financial Statements.

**LIVING WELL IN WABASH COUNTY COA, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
<b>Support, Revenues, and Gains:</b>			
Grants	\$ -	\$ 378,939	\$ 378,939
Government allocations	-	92,000	92,000
United Fund of Wabash County	-	20,167	20,167
Medicaid reimbursement	27,298	-	27,298
Program income	64,587	-	64,587
Donations	143,619	-	143,619
In-kind donations	28,960	-	28,960
Rental income	2,585	-	2,585
Endowment income	21,966	-	21,966
<b>Net assets released from restrictions</b>			
Satisfaction of program restrictions	<u>491,570</u>	<u>(491,570)</u>	<u>-</u>
<b>Total Support, Revenues, and Gains:</b>	<u>780,585</u>	<u>(464)</u>	<u>780,121</u>
<b>Expenses:</b>			
Transportation	390,939	-	390,939
Senior Center	345,056	-	345,056
Fundraising	<u>12,232</u>	<u>-</u>	<u>12,232</u>
<b>Total Expenses</b>	<u>748,227</u>	<u>-</u>	<u>748,227</u>
<b>CHANGE IN NET ASSETS</b>	32,358	(464)	31,894
<b>NET ASSETS - January 1</b>	<u>233,929</u>	<u>24,928</u>	<u>258,857</u>
<b>NET ASSETS - December 31</b>	<u>\$ 266,287</u>	<u>\$ 24,464</u>	<u>\$ 290,751</u>

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

**LIVING WELL IN WABASH COUNTY COA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Transportation</u>	<u>Senior Center</u>	<u>Fundraising</u>	<u>Totals</u>
Salaries and wages	\$ 197,669	\$ 174,522	\$ 3,840	\$ 376,031
Payroll taxes and fringe benefits	15,087	32,099	294	47,480
Travel and meetings	865	3,220	76	4,161
Program expenses	60,842	24,702	1,360	86,904
Supplies	-	2,686	-	2,686
Postage	13	233	1,512	1,758
Promotional	747	2,577	4,787	8,111
Professional fees	33,942	46,124	363	80,429
Training	30	-	-	30
Telephone	837	1,713	-	2,550
Insurance	28,470	12,201	-	40,671
Utilities	4,822	17,660	-	22,482
Food pantry	-	6,848	-	6,848
Depreciation expense	42,362	5,987	-	48,349
Membership fees	-	3,657	-	3,657
In-kind rent	5,253	10,827	-	16,080
<b>TOTAL EXPENSES</b>	<b><u>\$ 390,939</u></b>	<b><u>\$ 345,056</u></b>	<b><u>\$ 12,232</u></b>	<b><u>\$ 748,227</u></b>

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

**LIVING WELL IN WABASH COUNTY COA, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b><u>2017</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Increase in net assets	\$ 31,894
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation expense	48,349
Changes in operating assets and liabilities:	
Accounts receivable	(23,088)
Prepaid expenses	7,794
Accounts payable	(12,165)
Accrued payroll	<u>(671)</u>
<b>Net Cash Provided by Operating Activities</b>	<b><u>52,113</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchases of property, plant, and equipment	<u>(5,154)</u>
<b>Net Cash (Used) by Investing Activities</b>	<b><u>(5,154)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>	
Proceeds from line of credit	30,000
Principal payments on line of credit	<u>(30,000)</u>
<b>Net Cash Provided by Financing Activities</b>	<b><u>-</u></b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>46,959</b>
<b>CASH AND CASH EQUIVALENTS - beginning of year</b>	<b><u>110,433</u></b>
<b>CASH AND CASH EQUIVALENTS - end of year</b>	<b><u><u>\$ 157,392</u></u></b>

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

**LIVING WELL IN WABASH COUNTY COA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**Description of Organization** - 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.

**Program Activities:**

**Transportation** - Living Well in Wabash County CoA, Inc. provides safe and accessible transportation for people of all ages, abilities, and income in Wabash County, connecting people to the community by removing transportation barriers due to poverty, disability, or age.

**Senior Center** - Living Well in Wabash County CoA, Inc. provides a location for seniors of Wabash County to maintain their health and wellness with access to information about aging and aging services, fellowship with peers, maintaining contacts with the community, intergenerational experiences, low-impact fitness, opportunities to express and explore creativity, lifelong learning, and volunteer opportunities to make a difference in the lives of others. The Community Cupboard Food pantry, located within the senior center, uses volunteers to collect and distribute essential food supplies and household items to Wabash County residents with a demonstrated need.

**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 reports information regarding its financial position and activities according to two classes of net assets, which are classified and reported as follows:

**Net assets without donor restrictions** – Net assets available for use in general operation and not subject to donor or certain grantor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

**Net assets with donor restrictions** – Net assets subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donors stipulate that resources be maintained in perpetuity.

**Accounting 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.

**LIVING WELL IN WABASH COUNTY COA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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

**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

**Restricted and Unrestricted Revenue and Support** – 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 net assets with donor 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 Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Advertising** – The Organization's policy is to expense advertising costs as they are incurred. Advertising expenses for the years ended December 31, 2017 were \$8,111.

**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 as not all employees vest. The Organization's policy is to recognize the costs of compensated balances when paid to employees.

**LIVING WELL IN WABASH COUNTY COA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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

**Income Taxes Status** – 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.

**Accounting Pronouncements Adopted** – In August 2016, the FASB issued (ASU) 2016-14, Not-for-Profit Entities: Topic 958. The amendments in this update affect not-for-profit entity’s and the users of their general-purpose financial statements. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and availability of resources. Living Well in Wabash County CoA, Inc. early implemented this ASU effective for the year ended December 31, 2017.

**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, 2017, there were no uninsured balances.

**NOTE 3 – ENDOWMENT INCOME:**

The Organization is allocated a spendable amount from the funds held at the Community Foundation of Wabash County each year. At December 31, 2017, the spendable amounts included as cash equivalents in the Statement of Financial Position totaled \$14,551.

**NOTE 4 – PROPERTY, PLANT, AND EQUIPMENT:**

The components of property, plant, and equipment are as follows:

Office equipment	\$ 136,602
Transportation vehicles	524,094
Accumulated depreciation	<u>(573,063)</u>
	<u>\$ 87,633</u>

**LIVING WELL IN WABASH COUNTY COA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE 5 – 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 2017.

The Organization had a noncancelable 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 year ended December 31, 2017 was \$6,265.

Total lease payments required in the next five years is as follows under the above agreement: 2018, \$6,571; 2019, \$6,571; 2020, \$6,571; 2021, \$3,286; and 2022, none.

**NOTE 6 – LINE OF CREDIT:**

The Organization has a \$50,000 revolving line of credit for 2017. Bank advances on the credit line are payable on demand and carries an initial interest rate of 6.759% for 2017. 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, 2017. Interest paid for 2017 was \$316 and is included in program expenses.

**NOTE 7 – 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 8 – LIQUIDITY AND AVAILABILITY:**

Financial assets available for general expenditure, which is without donor or other restrictions limiting their use within one year of the balance sheet, comprise the following:

Cash and cash equivalents	\$ 157,392
Accounts receivable	61,366
Line of credit	50,000
	<u>\$ 268,758</u>

**LIVING WELL IN WABASH COUNTY COA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE 9 – NET ASSETS:**

Net assets with donor restrictions as of December 31, 2017 are as follows.

**Restricted to time or expenditure for specific purpose:**

Facility repair fund	\$24,464
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**NOTE 10 – NET ASSETS RELEASED FROM RESTRICTION:**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors as follows for the year ended December 31, 2017:

**Subject to time or expenditure for specific purpose:**

Federal - Section 5311	\$ 249,616
PMTF	111,493
Title III B - Area Five	17,830
Government allocations	92,464
United Fund of Wabash County	20,167
	<u>\$ 491,570</u>

**NOTE 11 – GOVERNMENT CONTRIBUTIONS:**

The Organization received government contributions from the following entities:

Federal - Section 5311	\$ 249,616
PMTF	111,493
Title III B - Area Five	17,830
City of Wabash	45,000
Town of North Manchester	19,000
Wabash County Council	28,000
	<u>\$ 470,939</u>

**NOTE 12 – DONATED SERVICES:**

The value of donated services included as in-kind contributions in the financial statements and expenses for the year ended December 31, 2017 are as follows:

Accounting services	\$ 5,800
Advertising services	1,950
Program expenses	1,975
	<u>\$ 9,725</u>

**LIVING WELL IN WABASH COUNTY COA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE 13 – CONCENTRATIONS OF SUPPORT AND REVENUES:**

Federal - Section 5311	\$ 249,616	32.00%
PMTF	111,493	14.29%
Title III B - Area Five	17,830	2.29%
Medicaid reimbursement	27,298	3.50%
City of Wabash	45,000	5.77%
Town of North Manchester	19,000	2.44%
Wabash County Council	28,000	3.59%
Public transportation	24,059	3.08%
Advertising services	6,350	0.81%
Fuel tax refunds	4,402	0.56%
Transit trip allocations	1,503	0.19%
Third party payers	4,620	0.59%
In-kind donations	28,960	3.71%
Endowment income	21,966	2.82%
United Fund allocations	20,167	2.59%
Donations	143,619	18.41%
Program income	23,653	3.03%
Rental income	2,585	0.33%
<b>Total Support and Revenues</b>	<b>\$ 780,121</b>	<b>100.00%</b>

Transportation income is concentrated at 69% of the Organization's total support and revenues in 2017. Federal, state, and local transit funding and other support from Medicaid, transit service fees, and indirect income sustain the entire operation of the Organization, which includes its senior activities.

**NOTE 14 – SUBSEQUENT EVENTS:**

Subsequent events were evaluated through September 21, 2018, which is the date the financial statements were available to be issued.