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November 1, 2019

Board of Directors  
Everybody Counts, Inc.  
9111 Broadway, Suite A  
Merillville, IN 46410

We have reviewed the audit report of Everybody Counts, Inc. which was opined upon by Humphrey CPA Group, LLC, Independent Public Accountants, for the period October 1, 2015 to September 30, 2017. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Everybody Counts, 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, Humphrey CPA Group, 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, CPA  
State Examiner

***EVERYBODY COUNTS, INC.***

**(An Indiana Not-for-Profit Corporation)**

***Financial Statements***

***Years Ended September 30, 2017 and 2016***

***EVERYBODY COUNTS, INC.***  
**(An Indiana Not-for-Profit Corporation)**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>Independent Auditor's Report</b>	1-2
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position-Modified Cash Basis	3
Statements of Activities-Modified Cash Basis	4
Statements of Functional Expenses-Modified Cash Basis	5-6
Statements of Cash Flows-Modified Cash Basis	7
Notes to Financial Statements	8-12



Humphrey CPA Group, L.L.C.

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445 N. Pennsylvania Street, Suite 941  
Indianapolis, IN 46204

Board of Directors  
Everybody Counts, Inc.  
Merrillville, Indiana

### **INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying financial statements of Everybody Counts, Inc. (the Agency) (An Indiana Not-for Profit Corporation), which comprise the statements of assets, liabilities and net assets-modified cash basis as of September 30, 2017 and 2016, and the related statements of support, revenue and expenses-modified cash basis, functional expenses-modified cash basis and cash flows-modified cash basis 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 the modified cash basis of accounting as described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is responsible for 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 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 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 Everybody Counts' 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 Everybody Counts' 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 assets, liabilities and net assets of the Everybody Counts as of September 30, 2017 and 2016, and its support, revenue and expenses for the years then ended in accordance with the modified cash basis of accounting as described in Note 2.

**Basis of Accounting**

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

*Humphrey CPA Group, P.C.*

Indianapolis, Indiana  
August 30, 2018

# EVERYBODY COUNTS, INC.

## STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS-MODIFIED CASH BASIS September 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b><u>ASSETS</u></b>		
CURRENT ASSETS		
Cash	\$ -	\$ -
Grants receivable	60,543	90,714
Employee advances	<u>9,214</u>	<u>9,200</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>69,757</u></b>	<b>\$ <u>99,913</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
CURRENT LIABILITIES		
Accounts payable	\$ 38,551	\$ 66,202
Payroll taxes withheld and accrued	<u>1,792</u>	<u>4,215</u>
<b>TOTAL LIABILITIES</b>	<b><u>40,343</u></b>	<b><u>70,417</u></b>
NET ASSETS		
Unrestricted net assets	<u>29,414</u>	<u>29,496</u>
<b>TOTAL NET ASSETS</b>	<b><u>29,414</u></b>	<b><u>29,496</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>69,757</u></b>	<b>\$ <u>99,913</u></b>

See independent auditor's report and accompanying notes.

# EVERYBODY COUNTS, INC.

## STATEMENTS OF SUPPORT, REVENUE AND EXPENSES-MODIFIED CASH BASIS For the years ended September 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>SUPPORT AND REVENUE</b>		
Federal grants	\$ 246,073	\$ 248,621
State grants	302,842	302,842
Other income	<u>2,625</u>	<u>5,546</u>
Total revenue	<u>551,540</u>	<u>557,009</u>
Other revenue		
Net assets released from restrictions	<u>0</u>	<u>0</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>551,540</u>	<u>557,009</u>
<b>EXPENSES</b>		
Program services	409,257	392,925
Management and general	<u>142,366</u>	<u>164,552</u>
<b>TOTAL EXPENSES</b>	<u>551,623</u>	<u>557,477</u>
<b>CHANGE IN NET ASSETS</b>	(83)	(468)
<b>NET ASSETS, BEGINNING</b>	<u>29,496</u>	<u>29,964</u>
<b>NET ASSETS, ENDING</b>	<u>\$ 29,414</u>	<u>\$ 29,496</u>

See independent auditor's report and accompanying notes.

## EVERYBODY COUNTS, INC.

### STATEMENTS OF FUNCTIONAL EXPENSES-MODIFIED CASH BASIS (CONTINUED) For the years ended September 30, 2017 and 2016

	2017		
	Program Services	Management and General	Total Expenses
Salaries and benefits	\$ 226,178	\$ 87,903	\$ 314,081
Consultant services	42,829	15,018	57,847
Occupancy	72,843	24,234	97,077
Training and workshops	20,275	0	20,275
Equipment maintenance	7,605	2,535	10,140
Telephone	12,723	4,157	16,880
Equipment	7,633	2,544	10,177
Materials and supplies	7,349	2,450	9,799
Postage and printing	6,689	2,320	9,009
Insurance	4,006	1,335	5,341
Travel	1,127	0	1,127
Miscellaneous	0	(130)	(130)
	\$ 409,257	\$ 142,366	\$ 551,623
Total expenses	\$ 409,257	\$ 142,366	\$ 551,623

See independent auditor's report and accompanying notes.

## EVERYBODY COUNTS, INC.

### STATEMENTS OF FUNCTIONAL EXPENSES-MODIFIED CASH BASIS (CONTINUED) For the years ended September 30, 2017 and 2016

	2016		
	<u>Program Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
Salaries and benefits	\$ 199,122	\$ 91,090	\$ 290,212
Consultant services	35,564	14,332	49,896
Occupancy	44,143	19,096	63,240
Equipment	60,068	25,744	85,811
Training and workshops	30,275	0	30,275
Telephone	7,767	3,417	11,184
Insurance	5,264	2,256	7,520
Materials and supplies	4,062	1,634	5,696
Equipment maintenance	2,152	922	3,074
Postage and printing	4,246	1,708	5,953
Miscellaneous	0	4,353	4,353
Travel	262	0	262
	<u>          </u>	<u>          </u>	<u>          </u>
Total expenses	\$ <u>392,925</u>	\$ <u>164,552</u>	\$ <u>557,477</u>

See independent auditor's report and accompanying notes.

## EVERYBODY COUNTS, INC.

### STATEMENTS OF CASH FLOWS-MODIFIED CASH BASIS For the years ended September 30, 2017 and 2016

	2017	2016
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Change in net assets	\$ (83)	\$ (468)
Decrease (increase) in assets		
Grants receivable	30,171	(90,714)
Employee advances	(14)	(3,982)
Increase (decrease) in liabilities		
Accounts payable	(27,651)	44,671
Payroll liabilities	(2,423)	(3,084)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>0</b>	<b>(53,577)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>0</b>	<b>0</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>0</b>	<b>0</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>0</b>	<b>(53,577)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>0</b>	<b>53,577</b>
<b>CASH, END OF YEAR</b>	<b>\$ 0</b>	<b>\$ 0</b>
Interest paid during the year	<b>\$ 0</b>	<b>\$ 0</b>

See independent auditor's report and accompanying notes.

# EVERYBODY COUNTS, INC.

## NOTES TO THE FINANCIAL STATEMENTS For the years ended September 30, 2017 and 2016

### (1) NATURE OF OPERATIONS

Everybody Counts, Inc. began its operation in June 1986. Everybody Counts, Inc. is operated exclusively for providing services to people with disabilities and their family members throughout Northwest Indiana.

### (2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Method of Accounting -

Everybody Counts, Inc. uses the modified cash basis of accounting. Revenue is recognized in the period services are provided. Everybody Counts, Inc. records cost reimbursement grants as revenues in the period in which the related expenses are incurred and claimed for reimbursement. Expenses are recorded in the period the expenditure is incurred. Everybody Counts, Inc. also reports 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 as required by the Not-For-Profit Entities Topic of the FASB Accounting Standards Codification.

#### Grants receivable

Grants receivable represent amounts billed to funding sources for eligible expenses incurred during program activities and reported at cost. Adjustments made at the funding source are recorded in the month for which the claim is billed. The allowance for uncollectible accounts is determined by management based upon historical losses, specific circumstances and general economic conditions. At September 30, 2017 and 2016, management estimated that no allowance was needed.

#### Equipment -

Everybody Counts, Inc.'s capitalization policy is to capitalize items over \$1,000 which has a useful life of more than one year for equipment that has not been purchased with funds received from the Federal or state government. Equipment purchased with grant dollars are expensed due to the right of the funding source to take over possession of the assets upon expiration of the contract or termination of Everybody Counts, Inc. Equipment is recorded at cost and depreciation using the straight-line method over the useful lives of 5 to 10 years. Expenditures for repairs and maintenance are written off in the year incurred, unless the expenditure materially prolongs the useful life of the related asset. The value of equipment that has been purchased through September 30, 2017 is \$97,600 and the estimated net book value of these assets is \$75,000.

# EVERYBODY COUNTS, INC.

## NOTES TO THE FINANCIAL STATEMENTS For the years ended September 30, 2017 and 2016

### (2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Donated Assets and Services -

Donations of non-cash items are recorded as contributions at their estimated fair value at the date of donation.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. There were no donated assets for both years under audit.

Donated services are recognized if the services create or enhance non-financial assets or require specialized skills, performed by persons with those skills that would otherwise be purchased by Everybody Counts, Inc. Volunteers also donate their time and perform a variety of tasks throughout the year that assist Everybody Counts, Inc. with specific programs and various committee assignments that are not recognized as contributions in the financial statements.

#### Statement of Cash Flows -

For the purposes of the statement of cash flows, Everybody Counts, Inc. considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

#### Functional Allocation of Expenses

Everybody Counts, Inc. summarizes the costs of providing the various programs and supporting services on a functional basis in the statements of activities based on an analysis of personnel time and space utilized for the related activities. Accordingly, it allocates certain costs among the programs and supporting services benefitted.

#### Contributions

Everybody Counts, Inc. considers all contributions available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support, which increase those net asset classes. However, if Everybody Counts, Inc. fulfills a restriction in the same accounting period in which the contribution is received, Everybody Counts, Inc. reports the support as unrestricted. Everybody Counts, Inc. had no temporarily or permanently restricted net assets as of September 30, 2017 and 2016.

# EVERYBODY COUNTS, INC.

## NOTES TO THE FINANCIAL STATEMENTS For the years ended September 30, 2017 and 2016

### (2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Use of Estimates -

The presentation of financial statements in conformity with the modified cash basis of accounting 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Federal and State Income Taxes -

No provision is recorded for Federal or State income taxes due to Everybody Counts, Inc. having been granted not-for-profit status under Section 501 (c)(3) of the Internal Revenue Code. No tax penalties were incurred during the years ended September 30, 2017 and 2016.

#### Subsequent events

Everybody Counts, Inc. has evaluated subsequent events through the date of the report letter, which is the date that the financial statements were available to be approved. No material subsequent events were identified, except as noted below, which would require disclosure and/or adjustment to the financial statements as of September 30, 2017 and 2016.

### (3) CONCENTRATION OF CREDIT RISK

Everybody Counts, Inc. is substantially funded by grants and contracts awarded directly and indirectly by the Federal government and passed through to the state of Indiana. The loss of these contracts would have a materially adverse effect on Everybody Counts, Inc. Amounts received from the state of Indiana represent approximately 55% and 51% of total revenue for the years ended September 30, 2017 and 2016, respectively. Amounts received from the Federal Government represented 45% and 48% of total revenue for the years ended September 30, 2017 and 2016, respectively.

# EVERYBODY COUNTS, INC.

## NOTES TO THE FINANCIAL STATEMENTS For the years ended September 30, 2017 and 2016

### (4) GRANTS/STATE CONTRACTS

Everybody Counts, Inc. has been awarded two grants with the U.S. Department of Health and Human Services Health Resources and Services Administration (HRSA) grant entitled "ACL Centers for Independent Living" CFDA Number 93.432 as assigned by the U.S. government. The grants ran from October 1, 2015 through September 30, 2016, in the amount of \$124,311 for the Everybody Counts and \$124,310 for Everybody Counts North (total \$248,621). All amounts were billed under this grant for the year ended September 30, 2016. These two grants were renewed under the Federal Program through September 30, 2017 in the amount of \$123,037 for Everybody Counts and \$123,036 for Everybody Counts North (total \$246,073). All amounts were billed under these grants for the year ended September 30, 2017. Amounts billed on these grants that are included in grants receivable as of September 30, 2017 and 2016 was \$3,403 and \$21,982. These two grants were renewed through September 30, 2018 in the amount of \$122,425 for Everybody Counts and \$122,424 for Everybody Counts North, totaling \$244,849.

Everybody Counts, Inc. obtained a grant with the State of Indiana Family and Social Services Administration entitled Independent Living Center Operations. This grant is a pass thru of Federal funding from the U.S. Department of Education, "Independent Living, State Grants" CFDA Number 84.169A. The grant ran from October 1, 2015 through September 30, 2017, in the amount of \$83,748 for the operations for the Everybody Counts and \$83,748 for the Everybody Counts North location. Amounts billed for the periods ended September 30, 2017 and 2016 totaled \$41,874 and \$41,874 for the Everybody Counts location and \$41,874 and \$41,874 for the Everybody Counts North location in both years. (\$83,748 total for both years). Amounts billed and included in grants receivable under this contract totaled \$6,979 and \$13,958 as of September 30, 2017 and 2016, respectively. The grant has been renewed through September 30, 2018 in the amount of \$36,992 for the Everybody Counts location and \$36,992 for the Everybody Counts North location (\$73,984 total).

Everybody Counts has a contract to provide Independent Living Services to eligible individuals. This contract is funded under the U.S. Department of Education, "Independent Living, State Grants" CFDA Number 84.169A and is funded from Social Security Administration and/or Vocational Rehabilitation dollars. The contract runs from October 1, 2015 through September 30, 2017 and covers the Everybody Counts and Everybody Counts North locations in the amount of \$5,760 per month, plus \$10,000 per quarter based on meeting certain guidelines for each location. The total amount of this contract is \$219,069 for Everybody Counts and \$219,068 for the Everybody Counts North location. (\$438,137 in total). Amounts billed for the years ended September 30, 2017 and 2016 totaled \$109,487 each year for the Everybody Counts location and \$109,487 each year for the Everybody Counts North location. (\$219,094 for both years in total). All amounts were billed under this contract for the years ended September 30, 2017 and 2016. Amounts billed on these contracts that are included in grants receivable as of September 30, 2017 and 2016 was \$13,958 and \$54,773 respectively. The contract was renewed through September 30, 2018 in the amount of \$114,429 for the Everybody Counts location and \$114,929 for the Everybody Counts North location (\$228,858 total).

## EVERYBODY COUNTS, INC.

### NOTES TO THE FINANCIAL STATEMENTS For the years ended September 30, 2017 and 2016

#### (5) OPERATING LEASES

Everybody Counts leases office space from unrelated parties on an annual basis that expires in July 2020 for the Merrillville office and September 2021 for the Everybody Counts North office. Total rent for the years ended September 30, 2017 and 2016 totaled \$86,150 and \$56,358, respectively, and is included in Occupancy Expense in the statement of functional expenses. Future minimum lease payments for the next five years is as follows:

		Merrillville	Hammond	Total
Year ended September 30, 2018		\$50,400	\$35,750	\$86,150
	2019	50,400	35,750	86,150
	2020	42,000	35,750	77,750
	2021	0	0	0
	2022	0	0	0
	Total	\$142,800	\$107,250	\$250,050

In addition, Everybody Counts leases office equipment under an operating lease agreement in the amount of \$395 a month, plus charges for copies that exceed certain limits, through October 2017. That lease was renewed for an additional 5 years in the amount of \$418 per month. Future minimum lease payments on the office equipment is \$5,016 for each of the next 5 years.

# EVERYBODY COUNTS, INC.

## NOTES TO THE FINANCIAL STATEMENTS For the years ended September 30, 2017 and 2016

### (6) SCHEDULE OF EXPENDITURES OF GOVERNMENT AWARDS

Basis of Presentation-This schedule of Federal Financial Assistance is presented on the modified cash basis of accounting. Although there is no Uniform Guidance requirement for the years ended September 30, 2017 and 2016, the information in this schedule is presented in accordance with the requirements of the Uniform Guidance at the request of the funding source. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

<u>FEDERAL GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>DISBURSEMENTS/ EXPENDITURES</u>
<b>Year ended September 30, 2017</b>		
<u>Non-Major Program</u>		
U.S. Department of Health and Human Services		
Community Independent Living Center-Funding		
	93.342	
Everybody Counts (Merrillville)		\$123,027
Everybody Counts North		<u>123,026</u>
Total Direct Federal funding		<u>246,073</u>
Funding from the State of Indiana, Indiana Family and Social Services Administration (FSSA), Division of Disability and Rehabilitative Services (DDARS) EDS Number VR1-6-45-16-VE-0017 (CIL Grant)		
Everybody Counts (Merrillville)	84.169A	\$ 41,874
Everybody Counts North	84.169A	<u>41,874</u>
Total Federal Funding passed thru from the State of Indiana		<u>83,748</u>
Total Federal Funding from all sources		<u>329,821</u>
Funding from the State of Indiana, Indiana Family and Social Services Administration (FSSA), Division of Disability and Rehabilitative Services (DDARS) EDS Number VR1-6-45-16-VE-0017-002 and -003 (SSA/VR)		
Everybody Counts (Merrillville)		\$109,547
Everybody Counts North		<u>109,547</u>
Total Funding from the State of Indiana		<u>219,094</u>
Total funding from all governmental sources		<u>\$548,915</u>

# EVERYBODY COUNTS, INC.

## NOTES TO THE FINANCIAL STATEMENTS For the years ended September 30, 2017 and 2016

<u>FEDERAL GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>DISBURSEMENTS/ EXPENDITURES</u>
<b>Year ended September 30, 2016</b>		
<u>Non-Major Program</u>		
U.S. Department of Health and Human Services Community Independent Living Center-Funding	93.342	
Everybody Counts (Merrillville)		\$124,311
Everybody Counts North		<u>124,310</u>
Total Direct Federal funding		<u>248,621</u>
Funding from the State of Indiana, Indiana Family and Social Services Administration (FSSA), Division of Disability and Rehabilitative Services (DDARS) EDS Number VR1-6-45-16-VM-0017-001 and 002 (CIL Grant)		
Everybody Counts (Merrillville)	84.169A	\$ 41,874
Everybody Counts North	84.169A	<u>41,874</u>
Total Federal funding passed thru the State of Indiana		<u>83,748</u>
Total Federal Funding		<u>332,369</u>
Funding from the State of Indiana, Indiana Family and Social Services Administration (FSSA), Division of Disability and Rehabilitative Services (DDARS) EDS Number VR1-6-45-16-VE-0017 (SSA/VR)		
Everybody Counts (Merrillville)		\$109,547
Everybody Counts North		<u>109,547</u>
		<u>219,094</u>
Total funding from all governmental sources		<u>\$551,463</u>