

**CENTER FOR INDEPENDENT LIVING  
OF MIDDLE TENNESSEE**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORTS**

**JUNE 30, 2014 AND 2013**

# CENTER FOR INDEPENDENT LIVING OF MIDDLE TENNESSEE

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Center for Independent Living  
Nashville, Tennessee

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Center for Independent Living, which comprise the statements of financial position as of June 30, 2014 and 2013, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Center for Independent Living as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of program services revenues and expenses for 2014 and 2013 are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal and state awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 audit 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.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2015 on our consideration of Center for Independent Living's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Center for Independent Living's internal control over financial reporting and compliance.

July 10, 2015

**CENTER FOR INDEPENDENT LIVING OF MIDDLE TENNESSEE**

**STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2014 AND 2013**

**ASSETS**

<b>CURRENT ASSETS</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Cash	\$ 166,806	\$ 13,498
Grant Receivable	61,746	30,534
Accounts Receivable	<u>-</u>	<u>58,362</u>
Total Current Assets	<u>228,552</u>	<u>102,394</u>
<b>PROPERTY AND EQUIPMENT</b>	125,842	62,453
Less: Accumulated Depreciation	<u>(62,453)</u>	<u>(62,453)</u>
Furniture and Equipment - net	<u>63,389</u>	<u>-</u>
Total Assets	<u><u>\$ 291,941</u></u>	<u><u>\$ 102,394</u></u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts Payable and Payroll Taxes Payable	82,169	8,998
Accrued Leave	12,480	10,853
Unearned Grant Revenue	<u>74,496</u>	<u>-</u>
Total Current Liabilities	<u>169,145</u>	<u>19,851</u>
<b>NET ASSETS</b>		
Unrestricted	<u>122,796</u>	<u>82,543</u>
Total Net Assets	<u>122,796</u>	<u>82,543</u>
Total Liabilities and Net Assets	<u><u>\$ 291,941</u></u>	<u><u>\$ 102,394</u></u>

The accompanying notes are an integral part of these statements.

**CENTER FOR INDEPENDENT LIVING OF MIDDLE TENNESSEE**

**STATEMENTS OF ACTIVITIES**

**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

<b>Revenues</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Grants	\$ 518,425	\$ 298,968
Fees for Services	109,461	238,583
Contributions	1,147	5,154
Other	665	869
	<hr/>	<hr/>
Total Revenues	629,698	543,574
	<hr/>	<hr/>
<b>Expenses</b>		
Program Services		
Work Incentives Planning and Assistance	207,989	212,962
Independent Living Services	296,525	226,148
	<hr/>	<hr/>
Total Program Services	504,514	439,110
	<hr/>	<hr/>
Management and General	84,931	93,568
	<hr/>	<hr/>
Total Expenses	589,445	532,678
	<hr/>	<hr/>
CHANGE IN NET ASSETS	40,253	10,896
	<hr/>	<hr/>
Net Assets, Unrestricted, Beginning of Year	82,543	71,647
	<hr/>	<hr/>
Net Assets, Unrestricted, End of Year	\$ 122,796	\$ 82,543
	<hr/>	<hr/>

The accompanying notes are an integral part of these statements.

**CENTER FOR INDEPENDENT LIVING OF MIDDLE TENNESSEE**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Program Services</u>		<u>Total</u>	<u>Management and General</u>	<u>Total</u>
	<u>Work Incentives Planning &amp; Assistance</u>	<u>Independent Living Services</u>	<u>Program Services</u>		
Salaries	144,416	139,207	283,623	40,831	324,454
Employee Benefits	36,901	32,551	69,452	5,610	75,062
Payroll Taxes	11,206	10,754	21,960	3,020	24,980
Rent	3,275	16,454	19,729	5,228	24,957
Insurance	-	-	-	7,756	7,756
Travel	6,284	12,090	18,374	2,726	21,100
Professional Services	130	17,933	18,063	13,840	31,903
Communications	517	8,840	9,357	644	10,001
Miscellaneous	-	163	163	35	198
Supplies	3,370	42,575	45,945	4,224	50,169
Postage	645	766	1,411	-	1,411
Printing	980	935	1,915	288	2,203
Specific Assistance	-	13,478	13,478	-	13,478
Meeting Expenses	265	779	1,044	47	1,091
Dues and Subscriptions	-	-	-	682	682
Total Expenses	207,989	296,525	504,514	84,931	589,445

The accompanying notes are an integral part of these statements.

**CENTER FOR INDEPENDENT LIVING OF MIDDLE TENNESSEE**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Program Services</u>		<u>Total</u>	<u>Management and General</u>	<u>Total</u>
	<u>Work Incentives Planning &amp; Assistance</u>	<u>Independent Living Services</u>	<u>Program Services</u>		
Salaries	152,230	147,285	299,515	46,918	346,433
Employee Benefits	35,285	35,911	71,196	7,519	78,715
Payroll Taxes	12,403	12,067	24,470	4,577	29,047
Rent	4,496	15,674	20,170	6,588	26,758
Insurance	-	-	-	7,623	7,623
Travel	4,966	4,149	9,115	839	9,954
Professional Services	-	1,938	1,938	14,162	16,100
Communications	2,597	3,742	6,339	1,433	7,772
Miscellaneous	-	500	500	332	832
Supplies	423	799	1,222	3,484	4,706
Postage	485	632	1,117	3	1,120
Printing	77	411	488	-	488
Meeting Expenses	-	2,740	2,740	70	2,810
Dues and Subscriptions	-	300	300	20	320
Total Expenses	212,962	226,148	439,110	93,568	532,678

The accompanying notes are an integral part of these statements.



**CENTER FOR INDEPENDENT LIVING OF MIDDLE TENNESSEE**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2014</u>	<u>2013</u>
Change in Net Assets	\$ 40,253	\$ 10,896
Adjustments to reconcile change in net assets to net cash provided by operations:		
(Increase) Decrease in:		
Grants Receivable	(31,212)	63,035
Accounts Receivable	58,362	(58,362)
Increase (Decrease) in:		
Accounts Payable and Payroll Taxes Payable	73,171	930
Accrued Leave	1,627	(10,040)
Unearned Revenue	<u>74,496</u>	<u>-</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>216,697</u>	<u>6,459</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	<u>(63,389)</u>	<u>-</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(63,389)</u>	<u>-</u>
Net Increase in Cash	153,308	6,459
Cash, Beginning of Year	<u>13,498</u>	<u>7,039</u>
Cash, End of Year	<u>\$ 166,806</u>	<u>\$ 13,498</u>

The accompanying notes are an integral part of these statements.

# CENTER FOR INDEPENDENT LIVING OF MIDDLE TENNESSEE

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a. Nature of Activities

The Center for Independent Living of Middle Tennessee (CILMT) (the "Organization") serves a multi-county area in the central portion of Middle Tennessee. This area includes Davidson County, Cheatham County, Wilson County, Robertson County, Rutherford County, Sumner County, and Williamson County. The Organization is located in Nashville, Tennessee, which is near the center of its geographical area of service. CILMT is affiliated with over 400 other related organizations nation-wide through Center for Independent Living Associations.

A local Board of Directors (over 50% of whom have disabilities) governs CILMT. CILMT is a private not-for-profit corporation dedicated to advancing the independence of all persons with disabilities as well as to provide group educational, group guidance and advocacy services on behalf of these persons. CILMT has operated in Middle Tennessee since 1992.

#### b. Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Presentation of Financial Statements of Not-for-Profit Organizations. Under the FASB Accounting Standards Codification, 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* - Net assets that are not subject to donor-imposed stipulations.

*Temporarily restricted net assets* - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization had no temporarily restricted net assets at June 30, 2014 or June 30, 2013.

*Permanently restricted net assets* - Net assets subject to donor-imposed stipulations that may be maintained permanently by the Organization. Generally donors of these assets permit the Organization to use all or part of the income earned for general or specific purposes. The Organization had no permanently restricted net assets as of June 30, 2014 or June 30, 2013.

# **CENTER FOR INDEPENDENT LIVING OF MIDDLE TENNESSEE**

## **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**JUNE 30, 2014 AND 2013**

### **1. ACCOUNTING POLICIES (CONTINUED)**

#### **c. Cash and Cash Equivalents**

The Organization considers all investment instrument purchases with a maturity of three months or less to be cash equivalents. As of June 30, 2014 and 2013, there were no cash equivalents.

#### **d. Allowance for Doubtful Accounts**

The Organization considers all current accounts receivable to be fully collectible; therefore, no allowance account is recorded.

#### **e. Depreciation**

Building, Furniture and equipment are recorded at actual cost as acquired. Items with an acquisition cost exceeding \$200 are capitalized and depreciated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives for building, furniture and equipment are 3 to 40 years.

#### **f. Income Taxes**

The Organization is a non-profit organization which is tax-exempt under Internal Revenue Code Section 501(c)(3).

The Organization files a U.S. Federal Form 990-Return of Organization Exempt from Income Tax. The Organization's returns for the years prior to calendar year 2011 are no longer open for examination.

The Organization has evaluated its tax positions in accordance with the Codification Standard relating to Accounting for Uncertainty in Income Taxes. The Organization believes that it has taken no uncertain tax positions.

**CENTER FOR INDEPENDENT LIVING OF MIDDLE TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**JUNE 30, 2014 AND 2013**

**1. ACCOUNTING POLICIES (CONTINUED)**

**g. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**h. Fair Values of Financial Instruments**

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Cash, accounts receivables, accounts payables, and accrued leave, : The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

**2. DONATED SERVICES**

Officers, members of the Board of Directors, and other members of the Organization have assisted the Organization in the accomplishment of its goals and objectives by the donation of their time and services. No amounts have been reflected in the financial statements as it was not practicable to determine the valuation of such services to the Organization, and the Organization exercises no significant control over the major elements of donated services.

**CENTER FOR INDEPENDENT LIVING OF MIDDLE TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**JUNE 30, 2014 AND 2013**

**3. PROPERTY AND EQUIPMENT**

Property and Equipment consisted of the following:

	<u>6/30/2014</u>	<u>6/30/2013</u>
Office Furniture and Equipment	\$ 125,842	\$ 62,453
Less: Accumulated Depreciation	(62,453)	(62,453)
Total	<u>\$ 63,389</u>	<u>\$ -</u>

**4. COMMITMENT**

The Organization leases a office space under noncancelable operating lease expiring in June 2015. Future minimum rental payments required under this noncancelable lease as of June 30, 2014 are as follows:

	<u>Total</u>
2015	\$ 30,336

Rent expense was \$26,758 and \$24,957 for the years ended June 30, 2013 and 2014, respectively.

**5. PENSION PLAN**

The Organization provides a pension plan for all eligible employees. The Organization will match up to 3% of employee contributions during the year. Pension expense was \$9,630 and \$9,304 for the years ended June 30, 2013 and 2014, respectively.

**6. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through July 10, 2015 which is the date the financial statements were available to be issued.

## **SUPPLEMENTAL INFORMATION**

**CENTER FOR INDEPENDENT LIVING OF MIDDLE TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

Federal / State/ Grantor/ Pass-Through Grantor Agency & Program Name	Federal CFDA #	Grant Number	Grant Period	Grant Receivable 7/1/13	7/1/13 - 6/30/14 Receipts	Expenditures	(Unearned) Grant Receivable 6/30/14
<b>U.S. DEPARTMENT OF EDUCATION</b>							
Independent Living Program	84.132A	H132950036-10	10/1/12 - 9/30/13	27,534	97,163	69,629	-
Independent Living Program	84.132A	H132950036-13	10/1/13 - 9/30/14	-	118,140	124,633	6,493
			Total for CFDA# 84.132A	27,534	215,303	194,262	6,493
Working to Independence - ARRA	84.400	H400A100158	10/1/10 - 10/1/14	3,000	19,711	17,908	1,197
<b>U.S. DEPARTMENT OF HUMAN SERVICES</b>							
Vocational Rehabilitation	84.126A	34570-21614	10/1/13 - 6/30/14	-	196,564	122,068	(74,496)
<b>SOCIAL SECURITY ADMINISTRATION</b>							
Work Incentives Planning and Assistance	96.008	1-WIP13050371-01-	8/1/13 - 7/31/14	-	130,131	184,187	54,056
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b>\$ 30,534</b>	<b>\$ 561,709</b>	<b>\$ 518,425</b>	<b>\$ (12,750)</b>

**Basis of presentation**

This schedule of expenditures of federal awards includes the federal grant activity of Center for Independent Living of Middle Tennessee and is presented in accordance with accounting principles generally accepted in the United States of America, which is the same basis of accounting as the basic financial statements.

**CENTER FOR INDEPENDENT LIVING OF MIDDLE TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

Federal /State/ Grantor/ Pass-Through Grantor Agency & Program Name	Federal CFDA #	Grant Number	Grant Period	Grant Receivable 7/1/12	7/1/12 - 6/30/13 Receipts	Expenditures	Grant Receivable 6/30/13
<b>U.S. DEPARTMENT OF EDUCATION</b>							
Independent Living Program	84.132A	H132950036-10	10/1/11 - 9/30/12	\$ 67,134	\$ 105,216	\$ 38,082	\$ -
Independent Living Program	84.132A	H132950036-10	10/1/12 - 9/30/13	-	180,603	208,137	27,534
			Total for CFDA# 84.132/	67,134	285,819	246,219	27,534
Working to Independence - ARRA	84.400	H400A100158	10/1/10 - 10/1/14	5,801	34,922	32,121	3,000
<b>SOCIAL SECURITY ADMINISTRATION</b>							
Work Incentives Planning and Assistance	96.008	5-WIP06050284-06-	7/1/12 - 8/31/12	20,634	20,634	-	-
Work Incentives Planning and Assistance	96.008	1-WIP13050371-01-	8/1/13 - 7/31/14	-	20,628	20,628	-
			Total for CFDA# 96.008	20,634	41,262	20,628	-
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b>\$ 93,569</b>	<b>\$ 362,003</b>	<b>\$ 298,968</b>	<b>\$ 30,534</b>

***Basis of presentation***

This schedule of expenditures of federal awards includes the federal grant activity of Center for Independent Living of Middle Tennessee and is presented in accordance with accounting principles generally accepted in the United States of America, which is the same basis of accounting as the basic financial statements.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Center for Independent Living  
Nashville, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Center for Independent Living, which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated July 10, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Center for Independent Living's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Center for Independent Living's internal control. Accordingly, we do not express an opinion on the effectiveness of Center for Independent Living's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Center for Independent Living's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

July 10, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133**

To the Board of Directors  
Center for Independent Living  
Nashville, Tennessee

**Report on Compliance for Each Major Federal Program**

We have audited Center for Independent Living's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Center for Independent Living's major federal programs for the years ended June 30, 2014 and 2013. Center for Independent Living's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Center for Independent Living's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Center for Independent Living's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Center for Independent Living's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Center for Independent Living complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended June 30, 2014 and 2013.

**Report on Internal Control Over Compliance**

Management of Center for Independent Living is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Center for Independent Living's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Center for Independent Living's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

July 10, 2015

**CENTER FOR INDEPENDENT LIVING OF MIDDLE TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED JUNE 30, 2014 AND 2013**

**PART I - SUMMARY OF AUDITORS' RESULTS**

**I. Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? \_\_\_\_\_yes \_\_\_\_\_X no

Significant deficiencies identified not  
considered to be material weaknesses? \_\_\_\_\_yes \_\_\_\_\_X none reported

Noncompliance material to financial statements noted? \_\_\_\_\_yes \_\_\_\_\_X no

**Federal Awards**

Internal Control over major programs:

Material weaknesses identified? \_\_\_\_\_yes \_\_\_\_\_X no

Significant deficiencies identified not  
Considered to be material weaknesses? \_\_\_\_\_yes \_\_\_\_\_X none reported

Type of auditors' report issued on compliance  
For major programs: Unqualified

Any Audit findings disclosed that are required to be  
reported in accordance with A-133, Section 510(a)? \_\_\_\_\_yes \_\_\_\_\_X no

Identification of major programs:

Independent Living (CFDA 84.132A)  
Vocational Rehabilitation (CFDA )

Dollar threshold used to distinguish between  
Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? \_\_\_\_\_yes \_\_\_\_\_X no

**CENTER FOR INDEPENDENT LIVING OF MIDDLE TENNESSEE**

**SCHEDULE OF PRIOR AUDIT FINDINGS**

**FOR THE YEAR ENDED JUNE 30, 2014 AND 2013**

There were no audit findings for the year ended June 30, 2012.