Columbus Speech & Hearing Center

Financial Report
December 31, 2016

Contents

RSM US LLP

Independent Auditor's Report

To the Board of Directors
Columbus Speech & Hearing Center
Columbus, Ohio

Report on the Financial Statements
We have audited the accompanying financial statements of Columbus Speech & Hearing Center which comprise the statements of financial position as of December 31, 2016 and 2015, the related statements of activities and changes in net assets, statement of 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.

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 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 Columbus Speech & Hearing as of December 31, 2016 and 2015, 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.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information 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.

RSM US LLP

Columbus, Ohio
May 24, 2017

Columbus Speech & Hearing Center

Statements of Financial Position
December 31, 2016 and 2015

	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	**$ 114,824**	$ 599,667
Receivables:		
Clients, net	**267,159**	221,397
United Way	**75,000**	149,500
Pledges	**131,964**	189,496
Other	**22,349**	9,945
	496,472	570,338
Prepaids	**66,103**	71,430
Inventory	**4,258**	3,939
	70,361	75,369
Total current assets	**681,657**	1,245,374
Property and equipment, net	**2,372,517**	2,053,905
Other assets:		
Deposits and other assets	**3,964**	5,000
	$ 3,058,138	$ 3,304,279
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 276,204**	$ 193,997
Revolving line of credit	**130,000**	-
Notes payable - current	**70,000**	70,000
Deferred revenue	**85,501**	15,221
Total current liabilities	**561,705**	279,218
Notes payable - noncurrent	**415,000**	485,000
Total liabilities	**976,705**	764,218
Net assets:		
Unrestricted	**1,926,381**	1,805,655
Temporarily restricted	**155,052**	734,406
Total net assets	**2,081,433**	2,540,061
	$ 3,058,138	$ 3,304,279

See notes to financial statements.

Columbus Speech & Hearing Center

Statement of Activities and Changes in Net Assets
Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	**Total**
Public support:			
United Way funds	$ 149,500	$ 75,000	**$ 224,500**
Contributions and grants	368,604	44,224	**412,828**
In-kind contributions	38,558	-	**38,558**
Total public support	556,662	119,224	**675,886**
Revenue:			
Government fees for services	909,696	-	**909,696**
Clinic fees	1,823,714	-	**1,823,714**
Hearing aid and assistive listening device sales	947,515	-	**947,515**
Building rental	129,337	-	**129,337**
Investment income	816	-	**816**
Other income	8,195	-	**8,195**
Total revenue	3,819,273	-	**3,819,273**
Net assets released from restrictions:			
Satisfaction of time restrictions	149,500	(149,500)	**-**
Satisfaction of program restrictions	549,078	(549,078)	**-**
Total net assets released from restrictions	698,578	(698,578)	**-**
Total public support and revenue	5,074,513	(579,354)	**4,495,159**
Expenses:			
Program services	4,248,925	-	**4,248,925**
Supporting services - management and general	467,129	-	**467,129**
Fundraising	237,733	-	**237,733**
Total expenses	4,953,787	-	**4,953,787**
Change in net assets	120,726	(579,354)	**(458,628)**
Net assets:			
Beginning	1,805,655	734,406	**2,540,061**
Ending	$ 1,926,381	$ 155,052	**$ 2,081,433**

See notes to financial statements.

Columbus Speech & Hearing Center

Statement of Activities and Changes in Net Assets
Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Total
Public support:			
United Way funds	$ 149,500	$ 149,500	$ 299,000
Contributions and grants	432,315	493,562	925,877
Total public support	581,815	643,062	1,224,877
Revenue:			
Government fees for services	958,034	-	958,034
Clinic fees	1,741,823	-	1,741,823
Hearing aid and assistive listening device sales	1,193,554	-	1,193,554
Building rental	107,484	-	107,484
Investment income	543	-	543
Other income	34,268	-	34,268
Total revenue	4,035,706	-	4,035,706
Net assets released from restrictions:			
Satisfaction of time restrictions	149,500	(149,500)	-
Satisfaction of program restrictions	55,242	(55,242)	-
Total net assets released from restrictions	204,742	(204,742)	-
Total public support and revenue	4,822,263	438,320	5,260,583
Expenses:			
Program services	4,308,738	-	4,308,738
Supporting services - management and general	444,682	-	444,682
Fundraising	209,989	-	209,989
Total expenses	4,963,409	-	4,963,409
Change in net assets	(141,146)	438,320	297,174
Net assets:			
Beginning	1,946,801	296,086	2,242,887
Ending	$ 1,805,655	$ 734,406	$ 2,540,061

See notes to financial statements.

Columbus Speech & Hearing Center

Statement of Functional Expenses
Year Ended December 31, 2016

	Program Services	Management and General	Fundraising	**Total**
Salaries and wages	$ 2,634,779	$ 326,648	$ 151,809	**$ 3,113,236**
Payroll taxes	196,938	23,187	10,996	**231,121**
Employee benefits	213,579	28,765	5,689	**248,033**
Total compensation	3,045,296	378,600	168,494	**3,592,390**
Hearing aid and assistive listening devices	353,289	-	-	**353,289**
Conferences, meetings and staff development	3,080	865	1,019	**4,964**
Bad debts	-	14,557	-	**14,557**
Consulting, legal and accounting	132,904	22,256	4,651	**159,811**
Printing	11,732	1,587	6,791	**20,110**
Telephone	18,078	1,086	839	**20,003**
Supplies	44,605	1,108	954	**46,667**
Utilities	66,377	7,543	1,509	**75,429**
Maintenance, building and grounds	100,786	11,453	2,290	**114,529**
Postage and shipping	8,663	502	649	**9,814**
Public relations and development	13,436	2,385	30,631	**46,452**
Process and service fees	56,766	2,527	2,527	**61,820**
Equipment repair	54,079	969	5,681	**60,729**
Insurance	43,946	3,610	1,781	**49,337**
Transportation	76,301	1,205	1,305	**78,811**
Interest and other financing fees	14,225	1,616	323	**16,164**
Miscellaneous	6,246	1,659	667	**8,572**
Dues and subscriptions	15,529	1,316	2,236	**19,081**
Loss on asset dispositions	18,830	-	-	**18,830**
Depreciation of property and equipment	164,757	12,285	5,386	**182,428**
Total expenses	$ 4,248,925	$ 467,129	$ 237,733	**$ 4,953,787**
Percentage of total expenses	86%	9%	5%	**100%**

See notes to financial statements.

Columbus Speech & Hearing Center

Statement of Functional Expenses
Year Ended December 31, 2015

	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 2,610,999	$ 319,552	$ 141,466	$ 3,072,017
Payroll taxes	194,552	25,267	9,818	229,637
Employee benefits	205,341	28,041	4,665	238,047
Total compensation	3,010,892	372,860	155,949	3,539,701
Hearing aid and assistive listening devices	438,672	-	-	438,672
Conferences, meetings and staff development	2,070	422	2,276	4,768
Bad debts	-	3,833	-	3,833
Consulting, legal and accounting	159,166	19,404	2,203	180,773
Printing	16,264	1,336	4,874	22,474
Telephone	17,458	973	793	19,224
Supplies	36,049	1,775	1,174	38,998
Utilities	66,185	7,521	1,504	75,210
Maintenance, building and grounds	93,004	10,557	2,111	105,672
Postage and shipping	7,431	461	1,065	8,957
Public relations and development	10,750	1,039	20,254	32,043
Process and service fees	55,473	2,455	2,455	60,383
Equipment repair	50,402	889	5,832	57,123
Insurance	44,682	3,644	1,798	50,124
Transportation	97,213	1,805	36	99,054
Interest and other financing fees	13,968	1,587	318	15,873
Miscellaneous	6,690	1,145	594	8,429
Dues and subscriptions	13,514	1,294	2,176	16,984
Depreciation of property and equipment	168,855	11,682	4,577	185,114
Total expenses	$ 4,308,738	$ 444,682	$ 209,989	$ 4,963,409
Percentage of total expenses	87%	9%	4%	100%

See notes to financial statements.

Columbus Speech & Hearing Center

Statements of Cash Flows
Years Ended December 31, 2016 and 2015

	2016	2015
Cash flows from operating activities:		
Change in net assets	$ (458,628)	$ 297,174
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	182,428	185,114
Loss on sale of property and equipment	18,830	-
Donated property and equipment	(38,558)	-
Provision for loss on receivables	(9,929)	13,125
Change in:		
Receivables	83,795	(10,977)
Prepaid, inventory and other assets	6,044	20,184
Accounts payable and accrued liabilities	82,207	(49,354)
Deferred revenue	70,280	15,221
Net cash (used in) provided by operating activities	(63,531)	470,487
Cash flows from investing activities:		
Purchase of property and equipment	(481,312)	(84,524)
Cash flows from financing activities:		
Repayments of notes payable	(70,000)	(70,000)
Net change in revolving line of credit	130,000	-
Net cash provided by (used in) financing activities	60,000	(70,000)
Net (decrease) increase in cash and cash equivalents	(484,843)	315,963
Cash and cash equivalents:		
Beginning	599,667	283,704
Ending	$ 114,824	$ 599,667
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 2,849	$ 962

See notes to financial statements.

Note 1. Organization and Summary of Significant Accounting Policies

Organization and background: The Columbus Speech & Hearing Center (the Center), was founded in 1923 to help all people improve communication and vocational independence for life. The Center is a nonprofit agency which provides services to people of all ages who are deaf, deaf-blind or who may have communication disorders related to speech or hearing impairment. The Center serves clients throughout Ohio and is funded through billings for services or products and grants from third party agencies.

Use of estimates: The accounting and reporting policies of the Center conform to accounting principles generally accepted in the United States of America. 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 expense during the reporting period. Actual results could differ from those estimates.

Financial statement presentation: Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

- 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 will be met either by actions of the Center and/or the passage of time.

- Permanently restricted net assets: Net assets subject to donor imposed stipulations that they be maintained permanently by the Center. Generally, the donor of these assets permit the Center to use all or part of the income earned on related investments for general or specific purposes. The Center did not have any permanently restricted net assets at December 31, 2016 or 2015.

Cash and cash equivalents: For purposes of the statement of cash flows, the Center considers all investments with an original maturity date of three months or less to be cash equivalents.

Accounts receivable: The Center asks for co-pay or full fee at time of service from individuals. The Center follows up on insurance claims after 60 days. If the insurance claim is denied, the amount is due immediately from the individual.

Management estimates an allowance for doubtful accounts and contractual allowances, which amounted to $54,700 and $64,629 as of December 31, 2016 and 2015, respectively. The estimate is based upon management’s review of delinquent accounts and an assessment of the Center’s historical evidence of collections. Bad debt expense of $14,557 and $3,833 was recognized for the years ended December 31, 2016 and 2015, respectively. Specific accounts are charged directly to the reserve when management obtains evidence of a customer’s insolvency or otherwise determines the account is uncollectible.

Property and equipment: Property and equipment are recorded at cost, less accumulated depreciation and amortization. Provisions for depreciation and amortization are computed using the straight-line method based on estimated useful lives of 5-30 years for buildings and improvements, 10 years for program, office and mobile equipment and 3 years for computer equipment.

The Center capitalizes the cost of all property and equipment additions in excess of $500; the fair value of donated property and equipment is similarly capitalized. When property and equipment is sold or retired, the cost and related accumulated depreciation is removed from the accounts.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Impairment of long-lived assets: The Center reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. Measurement of any impairment would include a comparison of estimated undiscounted future cash flows to be generated during the remaining life of the asset to its net carrying value. The Center believes the carrying values of all long-lived assets at December 31, 2016 and 2015 are recoverable.

Fair value of financial instruments: The carrying amounts of financial instruments, including cash, cash equivalents, accounts receivable, accounts payable, and accrued liabilities approximates fair value due to the short term nature of these instruments. The carrying amount of long-term debt approximates fair value because the interest rates fluctuate with market interest rates.

Concentration of credit risk: The Center places its cash with financial institutions, and has cash on deposit from time to time in one financial institution in excess of insurance coverage provided by the Federal Deposit Insurance Corporation. The finance committee periodically reviews and approves the selection of financial institutions. The Center continually monitors these balances to minimize the risk of loss.

Revenue recognition: The Center records contributions received as revenue in the year pledged. These amounts are recorded at their fair values. The Center reports contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the 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. Donor-restricted contributions whose restrictions are met in the same reporting period are recorded as unrestricted support. The Center reports contributions of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Contributions of long-lived assets with explicit restrictions that specify how the assets are to be used and contributions of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Grant support is recognized over the grant period. Grants received under cost-reimbursement programs are recognized to the extent expenses are incurred. Grants received in advance of grant periods are recorded as deferred revenue until the services are performed. Grant revenue is recorded as unrestricted revenue when the grantor restrictions are met in the same reporting period.

Revenue from clinic fees is recognized when the services are performed. Revenue from the sale of hearing aids and assistive listening devices is recognized upon delivery to the patient.

Donated services and assets: Contributed services are recorded when they meet the criteria of (1) creating or enhancing nonfinancial assets, or, (2) requiring specialized skills, and provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. There were no donated services for the years ended December 31, 2016 and 2015. Donated assets were $38,558 and $0 for the years ended December 31, 2016 and 2015, respectively.

Advertising: The Center's advertising efforts are associated with nondirect-response programs. The costs are expensed as incurred. The Center had advertising expenses for the years ended December 31, 2016 and 2015 of $4,535 and $1,984, respectively.

Functional expenses: The Center allocates its expenses on a functional basis among its various programs and support services. Expenses are allocated either directly according to their natural expenditure classification or by various statistical bases.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Tax exempt status: The Center is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, the Center is taxed on other unrelated income, if any exists. Currently, the only unrelated business income is rental income.

The Center follows Financial Accounting Standards Board (FASB) guidance on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Center may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Center, and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. At December 31, 2016 and 2015, there were no material unrecognized tax benefits identified or recorded as liabilities.

The Center files forms 990 and 990T in the U.S. federal jurisdiction. With few exceptions, the Center is no longer subject to examination by the Internal Revenue Service of tax years three to five years from the date of filing.

Pending pronouncements: In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2017. The Center has not yet selected a transition method and is currently evaluating the effect that the standard will have on the financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The standard is effective on January 1, 2019, with early adoption permitted. The Center is in the process of evaluating the impact of this new guidance.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, “net assets with donor restrictions” and “net assets without donor restrictions”, and expands disclosures about the nature and amount of any donor restrictions. ASU 2016-05 is effective for annual periods beginning after December 15, 2017 The Center is currently evaluating the impact the adoption of this guidance will have on its consolidated financial statements.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Subsequent events: The Center has evaluated subsequent events for potential recognition and/or disclosure through May 24, 2017, the date the financials were available to be issued.

Note 2. Property and Equipment

Property and equipment consisted of the following at December 31:

	2016	2015
Land	$ 240,000	$ 240,000
Building and improvements	4,993,834	4,631,201
Program equipment	433,854	396,092
Office equipment	831,729	817,572
Construction in progress	12,604	48,508
	6,512,021	6,133,373
Less: accumulated depreciation and amortization	(4,139,504)	(4,079,468)
Net property and equipment	$ 2,372,517	$ 2,053,905

Depreciation expense was $182,428 and $185,114 for the years ended December 31, 2016 and 2015, respectively.

Note 3. Notes Payable and Revolving Line of Credit

Notes payable consisted of the following at December 31:

	2016	2015
Revenue bonds payable	$ 485,000	$ 555,000
Less: current maturities	70,000	70,000
	$ 415,000	$ 485,000

Future maturities on notes payable are as follows for the year ending December 31:

2017	$ 70,000
2018	75,000
2019	80,000
2020	80,000
2021	80,000
Thereafter	100,000
	$ 485,000

In March 2002, the Center entered into tax-exempt bonds issued by Franklin County in the amount of $1,200,000, maturing through 2022. The bonds are Health Care Facilities Revenue Bonds that bear interest at a variable rate as determined each week by the Remarketing Agent. The rate is determined by the Remarketing Agent and shall be the minimum rate necessary for the Remarketing Agent to sell the bonds. The variable rate shall not exceed the lesser of 10% per annum or the maximum rate permitted by law. At the option of the Center, with a 45-day notice, the bonds can be converted to fixed rate bonds. The interest rate at December 31, 2016 and 2015 was .37% and .17%, respectively. The bonds are secured by a standby letter of credit from a financial institution which expires in April 2018. There were no standby letters of credit executed or outstanding at December 31, 2016 and 2015.

Note 3. Notes Payable and Revolving Line of Credit (Continued)

The Center has an available line of credit agreement in the amount of $500,000. Borrowings outstanding on the line of credit were $130,000 and $0 at December 31, 2016 and 2015, respectively. The line of credit bears interest at LIBOR plus 3.24%. At December 31, 2016 and 2015, the LIBOR rate was .62% and .24%, respectively. The agreement matures June 13, 2017, and is collateralized by the current assets of the Center.

Note 4. Employee Benefit Plan

The Center maintains a 401(k) plan (the Plan) for eligible employees. Employees are eligible to participate in the Plan at the time of hire. Employees are eligible for employer contributions after completing one year of service and providing at least 1,000 hours. Participants become fully vested in employer contributions after three years. Contributions are generally made by the Center annually and are made at management's discretion. The Center made no contributions to the Plan in 2016 and 2015. The Center also maintains a 403(b) plan for highly compensated employees or other employees not eligible for the 401(k) plan. There are no matching contributions to the 403(b) plan.

Note 5. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at December 31:

	2016	2015
United Way allocations not yet received	$ 75,000	$ 149,500
Garage renovation	22,352	350,000
Various programs	57,700	234,906
	$ 155,052	$ 734,406

Note 6. Special Events

The Center annually sponsors the Great Communicators Golf Outing. During 2016 the Center also hosted a new event called Speakeasy. Contributions and grants for both events include revenue of $100,908 and $70,195 for years ended December 31, 2016 and 2015, respectively. Total expenses associated with these events were $28,214 and $19,735 for years ended December 31, 2016 and 2015, respectively.

Note 7. Leases

The Center leases a portion of its building to third parties under long-term agreements expiring at various dates through November 2020, with renewal options for additional periods in certain cases. The Center generally pays insurance and specified maintenance costs. Future minimum rentals under these non-cancelable leases are as follows:

2017	$ 125,009
2018	90,458
2019	63,333
2020	15,125
	$ 293,925

Rental income for the years ended December 31, 2016 and 2015 was $129,337 and $107,484, respectively.

Note 8. Terminated Program

During 2016, the management team and board of directors approved the termination of the “I Can Connect” program effective December 31, 2016. The program accounted for $254,124 and $354,275 of revenue and $212,475 and $261,669 of direct and allocated expenses on accompanying statements of activities and changes in net assets for the years ended December 31, 2016 and 2015, respectively.

Note 9. Commitments and Contingencies

The Center is subject to claims and lawsuits in the ordinary course of business. In the opinion of management, the Center has adequate legal defenses and/or adequate insurance coverage for such matters. If not insured, management believes that such matters will not, in the aggregate, have a materially adverse impact on the Center’s financial position, results of future operations or cash flows.

Supplementary Information

Columbus Speech & Hearing Center

Statement of Activities for the "I Can Connect" Program
For the period July 1, 2016 through December 31, 2016

Public support:		
"I Can Connect" Program Revenue	$	100,048
Expenses:		
Compensation expenses		
Salaries		22,338
Employee benefits		4,238
Total compensation		26,576
Direct operating expenses		
Telephone		114
Professional fee		37,554
Travel and vehicle expense		17,582
Postage and shipping		229
Printing		88
Clinic supplies		30
Public relations		250
Employee relations		15
Total direct operating expenses		55,862
Indirect expenses		22,234
Total expenses		104,672
Changes in net assets	$	(4,624)

Note: The expenditures above do not include $27,598 of expeditures that were capitalized during the period July 1, 2016 through December 31, 2016.