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August 14, 2014

Board of Directors  
A Better Way Services, Inc.  
806 W. Jackson  
Muncie, IN 47305

We have reviewed the audit report prepared by Summers, Carroll, Whisler LLC, for the period July 1, 2010 to June 30, 2011. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of A Better Way Services, Inc., as of June 30, 2011, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

COMBINED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT

A BETTER WAY SERVICES, INC.

FAMILY SERVICES OF DELAWARE COUNTY  
BUILDING CORPORATION

JUNE 30, 2011 AND 2010

## CONTENTS

### INDEPENDENT AUDITORS' REPORT

### FINANCIAL STATEMENTS

COMBINED STATEMENTS OF FINANCIAL POSITION	1
COMBINED STATEMENT OF ACTIVITIES, 2011	2
COMBINED STATEMENT OF ACTIVITIES, 2010	3
COMBINED STATEMENTS OF CASH FLOW	4 - 5
COMBINED STATEMENT OF FUNCTIONAL EXPENSES, 2011	6
COMBINED STATEMENT OF FUNCTIONAL EXPENSES, 2010	7
NOTES TO COMBINED FINANCIAL STATEMENTS	8 - 16

### SUPPLEMENTAL INFORMATION

COMBINED STATEMENT OF SUPPORT AND REVENUE, 2011	17
COMBINED STATEMENT OF SUPPORT AND REVENUE, 2010	18
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, 2011	19 - 21
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, 2010	22 - 24
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS, 2011	25
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS, 2010	26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, 2011	27
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, 2010	28
COMBINED STATEMENT OF FINANCIAL POSITION BY ENTITY, 2011	29
COMBINED STATEMENT OF FINANCIAL POSITION BY ENTITY, 2010	30
COMBINED STATEMENT OF ACTIVITIES BY ENTITY, 2011	31
COMBINED STATEMENT OF ACTIVITIES BY ENTITY, 2010	32
COMBINED STATEMENT OF CASH FLOW BY ENTITY, 2011	33 - 34
COMBINED STATEMENT OF CASH FLOW BY ENTITY, 2010	35 - 36
COMBINED STATEMENT OF FUNCTIONAL EXPENSES BY ENTITY, 2011	37
COMBINED STATEMENT OF FUNCTIONAL EXPENSES BY ENTITY, 2010	38
COMBINED STATEMENT OF SUPPORT AND REVENUE BY ENTITY, 2011	39
COMBINED STATEMENT OF SUPPORT AND REVENUE BY ENTITY, 2010	40

C O N T E N T S -- Continued

SPECIAL REPORTS

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*

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL  
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133



# Summers, Carroll, Whisler *LLC*

*Certified Public Accountants*

## Independent Auditors' Report

**Board of Directors  
A Better Way Services, Inc.**

We have audited the accompanying combined statements of financial position of A Better Way Services, Inc. (a non-profit organization) and its affiliate as of June 30, 2011 and 2010, and the related combined statements of activities, cash flow, and functional expenses for the years then ended. These combined financial statements are the responsibility of the Organizations' management. Our responsibility is to express an opinion on these combined 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 audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of A Better Way Services, Inc. and affiliate as of June 30, 2011 and 2010, and the changes in their net assets and their cash flow for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2011 on our consideration of A Better Way Services, Inc. and affiliate's internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of these reports 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming an opinion on the basic combined financial statements of A Better Way Services, Inc. and affiliate taken as a whole. The schedules of expenditures of federal awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are not a required part of the basic combined financial statements. The additional statements and schedules in the supplementary information are also presented for purposes of additional analysis and are not a required part of the basic combined 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 basic combined 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 basic combined financial statements taken as a whole.

*Summus, Carroll, Whisler LLC*

Muncie, Indiana  
November 18, 2011

A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation

**COMBINED STATEMENTS OF FINANCIAL POSITION**

June 30,

	2011	2010
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 96,443	\$ 127,227
Unconditional promises to give	132,500	167,000
Accounts receivable	222,652	266,279
Prepaid expenses	7,432	15,392
	459,027	575,898
<b>PROPERTY, BUILDINGS AND EQUIPMENT</b>		
Buildings and improvements	2,167,200	2,167,200
Equipment	204,677	208,980
	2,371,877	2,376,180
Less accumulated depreciation	771,125	708,835
	1,600,752	1,667,345
Land	47,500	47,500
	1,648,252	1,714,845
<b>OTHER ASSETS</b>		
Beneficial interest in investments held by others	162,427	135,813
	162,427	135,813
	\$ 2,269,706	\$ 2,426,556

The accompanying notes are an integral part of these statements.

	<u>2011</u>	<u>2010</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Deposits	\$ 1,978	\$ 1,854
Accounts payable	4,776	10,545
Current maturities of long-term liabilities	9,265	8,162
Grants payable	147,415	181,540
Accrued and withheld liabilities	70,957	64,386
	<hr/>	<hr/>
Total current liabilities	234,391	266,487
<b>LONG-TERM LIABILITIES</b>		
Mortgage payable, less current maturities	25,352	34,604
Contingent liabilities	950,000	950,000
	<hr/>	<hr/>
	975,352	984,604
	<hr/>	<hr/>
Total liabilities	1,209,743	1,251,091
<b>NET ASSETS</b>		
Unrestricted	816,802	897,307
Temporarily restricted	158,256	193,253
Permanently restricted	84,905	84,905
	<hr/>	<hr/>
	1,059,963	1,175,465
	<hr/>	<hr/>
	\$ 2,269,706	\$ 2,426,556
	<hr/>	<hr/>



A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation

COMBINED STATEMENT OF ACTIVITIES

Year Ended June 30, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue				
Public support	\$ 190,585	\$ 100,000		\$ 290,585
Revenue	1,811,042	57,982		1,869,024
	2,001,627	157,982		2,159,609
Net assets released from restrictions				
Expiration of time/usage restrictions	192,979	(192,979)		
	2,194,606	(34,997)		2,159,609
Expenses				
Program services				
A Better Way Shelter	1,218,223			1,218,223
Afternoons R.O.C.K.	811,107			811,107
	2,029,330			2,029,330
Supporting services				
Management and general	245,781			245,781
	2,275,111			2,275,111
<b>DECREASE IN NET ASSETS</b>	(80,505)	(34,997)		(115,502)
Net assets at beginning of year	897,307	193,253	\$ 84,905	1,175,465
Net assets at end of year	<u>\$ 816,802</u>	<u>\$ 158,256</u>	<u>\$ 84,905</u>	<u>\$ 1,059,963</u>

The accompanying notes are an integral part of this statement.

A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation

COMBINED STATEMENT OF ACTIVITIES

Year Ended June 30, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue				
Public support	\$ 164,444	\$ 117,955		\$ 282,399
Revenue	1,447,011	89,127		1,536,138
	1,611,455	207,082		1,818,537
Net assets released from restrictions				
Expiration of time/usage restrictions	582,545	(582,545)		
Restrictions satisfied by payments	7,221	(7,221)		
	2,201,221	(382,684)		1,818,537
Expenses				
Program services				
A Better Way Shelter	1,219,526			1,219,526
Afternoons R.O.C.K.	801,239			801,239
	2,020,765			2,020,765
Supporting services				
Management and general	227,113			227,113
	2,247,878			2,247,878
<b>DECREASE IN NET ASSETS</b>	(46,657)	(382,684)		(429,341)
Net assets at beginning of year	943,964	575,937	\$ 84,905	1,604,806
Net assets at end of year	<u>\$ 897,307</u>	<u>\$ 193,253</u>	<u>\$ 84,905</u>	<u>\$ 1,175,465</u>

The accompanying notes are an integral part of this statement.

A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation

COMBINED STATEMENTS OF CASH FLOW

Years Ended June 30,

	<u>2011</u>	<u>2010</u>
Cash flow from operating activities:		
Decrease in net assets	\$ (115,502)	\$ (429,341)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	89,687	87,599
Loss on disposal of assets		2,859
Realized (gain) loss on investments	(2,953)	2,031
Unrealized gain on investments	(22,141)	(13,180)
(Increase) decrease in assets:		
Unconditional promises to give	34,500	413,000
Accounts receivable	43,627	(219,834)
Prepaid expenses	7,960	
Increase (decrease) in liabilities:		
Deposits	124	351
Accounts payable	(5,769)	7,460
Other payables		(1,278)
Grants payable	(34,125)	150,245
Accrued and withheld liabilities	6,571	7,093
	<hr/>	<hr/>
Net cash provided by operating activities	1,979	7,005
Cash flow from investing activities:		
Cash payments for the purchase of property	(23,094)	(58,448)
Net change in investments	(1,520)	(2,541)
	<hr/>	<hr/>
Net cash used in investing activities	(24,614)	(60,989)
Cash flow from financing activities:		
Principal payments on long-term liabilities	(8,149)	(7,429)
	<hr/>	<hr/>
Net cash used in financing activities	(8,149)	(7,429)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(30,784)	(61,413)
Cash and cash equivalents at beginning of year	127,227	188,640
	<hr/>	<hr/>
Cash and cash equivalents at end of year	<u>\$ 96,443</u>	<u>\$ 127,227</u>

A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation  
COMBINED STATEMENTS OF CASH FLOW - CONTINUED  
Years Ended June 30,

	<u>2011</u>	<u>2010</u>
Supplemental information:		
Cash paid during the year for interest	<u>\$ 2,931</u>	<u>\$ 3,654</u>

The accompanying notes are an integral part of these statements.

**A Better Way Services, Inc.**  
**Family Services of Delaware County Building Corporation**  
**COMBINED STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2011

	A Better Way Shelter	Afternoons R.O.C.K.	Total Program Services	Management and General	Total
Salaries	\$ 620,926	\$ 126,184	\$ 747,110	\$ 101,444	\$ 848,554
Employee benefits	261,328	60,390	321,718	34,726	356,444
Payroll taxes	47,586	8,720	56,306	6,071	62,377
Professional fees	63,534	8,145	71,679	6,108	77,787
Supplies	30,581	3,323	33,904	2,043	35,947
Telephone	8,790	2,446	11,236	1,882	13,118
Postage	578	287	865	1,182	2,047
Occupancy	47,777	1,337	49,114	893	50,007
Equipment rental and maintenance	15,792	866	16,658	1,694	18,352
Conferences and training workshops	1,061	2,543	3,604	50	3,654
Interest				2,931	2,931
Employee allowance	3,281	4,240	7,521	135	7,656
Membership dues	900	250	1,150	182	1,332
Grants		573,215	573,215		573,215
Insurance	28,017	3,321	31,338	6,214	37,552
Fund raising				27,107	27,107
Program materials	17,015	14,494	31,509	989	32,498
Program transportation	30,656	1,152	31,808		31,808
Miscellaneous	751	194	945	2,093	3,038
Total expenses before depreciation	1,178,573	811,107	1,989,680	195,744	2,185,424
Depreciation	39,650		39,650	50,037	89,687
Total expenses	<u>\$ 1,218,223</u>	<u>\$ 811,107</u>	<u>\$ 2,029,330</u>	<u>\$ 245,781</u>	<u>\$ 2,275,111</u>

The accompanying notes are an integral part of this statement.

A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2010

	A Better Way Shelter	Afternoons R.O.C.K.	Total Program Services	Management and General	Total
Salaries	\$ 594,129	\$ 115,424	\$ 709,553	\$ 75,691	\$ 785,244
Employee benefits	251,473	55,386	306,859	32,292	339,151
Payroll taxes	45,706	7,932	53,638	5,549	59,187
Professional fees	84,296	10,665	94,961	4,988	99,949
Supplies	51,461	12,310	63,771	2,217	65,988
Telephone	8,494	2,223	10,717	1,801	12,518
Postage	801	163	964	1,179	2,143
Occupancy	35,721	1,127	36,848	1,517	38,365
Equipment rental and maintenance	11,485	282	11,767	4,548	16,315
Conferences and training workshops	5,507	3,331	8,838	90	8,928
Interest				3,654	3,654
Employee allowance	2,581	4,068	6,649	126	6,775
Membership dues	1,505	170	1,675		1,675
Advertising	479	491	970		970
Grants		500,365	500,365		500,365
Insurance	29,537	3,853	33,390	6,899	40,289
Fund raising				31,993	31,993
Program materials	18,027	83,449	101,476		101,476
Program transportation	39,658		39,658		39,658
Loss on disposal of assets				2,858	2,858
Miscellaneous	185		185	2,593	2,778
Total expenses before depreciation	1,181,045	801,239	1,982,284	177,995	2,160,279
Depreciation	38,481		38,481	49,118	87,599
Total expenses	<u>\$ 1,219,526</u>	<u>\$ 801,239</u>	<u>\$ 2,020,765</u>	<u>\$ 227,113</u>	<u>\$ 2,247,878</u>

The accompanying notes are an integral part of this statement.

A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2011 and 2010

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. Organization

A Better Way Services, Inc. (A Better Way) brings peace to families, strength to individuals and families, and positive impact to community, through crisis intervention, service, support, education and caring. One of A Better Way's programs, A Better Way Shelter, combats growing domestic violence. Financial support for these services consists primarily of grants and donations from private and public organizations and individuals.

A Better Way's major programs (as relative to federal awards) are its Afternoons R.O.C.K. program, and the 21<sup>st</sup> Century Community Learning program within its A Better Way Shelter program. The majority of the funding for these programs consists of a Substance Abuse Prevention and Treatment Block Grant from the Department of Health and Human Services which is passed through from the Indiana Family & Social Services Administration's Division of Mental Health, and State Grant monies from the Department of Education which is passed through from the Indiana Department of Education. Collectively, these programs provide services to individuals in Delaware County, Indiana and sixteen other counties located in east-central Indiana.

Family Services of Delaware County Building Corporation (Building Corporation) was organized in 1991 for the exclusive purpose of holding title to property, collecting income therefrom and turning over the entire amount thereof, less expenses, to A Better Way.

2. Basis of Presentation

The financial statements of the Organizations are presented on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP) and, accordingly, reflect all significant receivables, payables, and other liabilities.

In June 2009, the Financial Accounting Standards Board (FASB) issued the Accounting Standards Codification as the source of authoritative accounting principles to be applied in the preparation of financial statements in conformity with GAAP.

3. Combined Financial Statement Presentation

The Organizations, through a related directorate, coordinate their efforts in furtherance of A Better Way's goals. The Building Corporation's principal business activity is leasing property to A Better Way. Accordingly, the financial statements of these affiliated Organizations are presented on a combined basis. All intercompany accounts and transactions have been eliminated.

In accordance with GAAP, the Organizations report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, the Organizations present a statement of cash flow.

4. Cash and Cash Equivalents

The Organizations maintain cash in accounts at local financial institutions which are insured by agencies of the U.S. Government. For purposes of the statement of cash flow, the Organizations consider all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2011 and 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

5. Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

6. Accounts Receivable

The Organizations consider all receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required. Should management deem any accounts receivable to be uncollectible, the outstanding balance is written-off to bad debts. Amounts written-off to bad debts have been immaterial to the financial statements.

7. Beneficial Interest in Investments Held by Others

In accordance with GAAP, contributions made to an organization, which acts as an agent on the behalf of others, are recorded as assets of the donor organization when it is the beneficiary. These assets, or investments, are recorded at their fair market value. Increases and decreases in the fair market value of the assets are recorded in revenue and expenses. Restricted gains, losses and investment income are reported as increases or decreases in unrestricted net assets if the restrictions expire in the fiscal year in which the investment return components are recognized.

8. Property, Buildings and Equipment

The Organizations' policies are to capitalize assets valued at \$1,000 or greater. Property, buildings and equipment are valued at cost for items purchased and at the approximate fair market value at the date of gift for items donated. Maintenance and repairs that do not improve or extend the useful lives of property and equipment are charged to expense as incurred. Upon retirement or sale of property, buildings and equipment, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss, if applicable, is reported in the statement of activities. Depreciation is calculated using the straight-line method based upon the estimated useful lives of the assets, ranging from five to forty years.

9. Income Tax Status

A Better Way is a non-profit organization exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. The Building Corporation is an organization exempt under Section 501(c)(2) of the Internal Revenue Code. As such, they are not liable for federal and state income taxes and no liability for such taxes appears in these statements.

The Organizations have no open tax years prior to 2007.



A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2011 and 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

10. Public Support and Revenue

In accordance with GAAP, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

11. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs, if not directly traceable, have been allocated between the program services and supporting services benefited.

12. Compensated Absences

Full-time employees are entitled to paid vacations, depending on length of service. The accumulation of vacation time is allowed up to a maximum of 160 hours. Full-time employees also accrue 8 hours of sick time per month and may accumulate sick time up to a maximum of 520 hours. However, unused sick time expires upon termination.

13. Advertising Costs

Advertising costs are expensed as incurred and included in functional expenses.

14. Use of Estimates

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

NOTE B - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of the following.

	<u>2011</u>	<u>2010</u>
United Way operating grant	\$100,000	\$100,000
Donor specific grant	7,500	
Program grant	<u>25,000</u>	<u>67,000</u>
Total unconditional promises to give	<u>\$132,500</u>	<u>\$167,000</u>
Amounts due in:		
Less than one year	\$132,500	\$167,000
One to five years	<u>          </u>	<u>          </u>
	<u>\$132,500</u>	<u>\$167,000</u>

Uncollectible promises are expected to be insignificant.

**A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

June 30, 2011 and 2010

**NOTE C - BENEFICIAL INTEREST IN INVESTMENTS HELD BY OTHERS**

An endowment fund is deposited with The Community Foundation of Muncie and Delaware County, Inc. (The Community Foundation) to benefit the A Better Way Shelter program of A Better Way. The Board of Directors of The Community Foundation has interpreted the Indiana Prudent Management of Institutional Funds Act (UPMIFA) as requiring the maintenance of historic dollar value of each endowed fund previously by the Uniform Management of Institutional Funds Act. The fair value is obtained from statements provided by The Community Foundation. Distributions available to A Better Way Shelter are based on the spending policy of The Community Foundation. Under this policy, a percentage of the subsequent year's expected market value of the investments of the fund are allocated annually for distributions, grants and expenses. The distributions will be used for the support of the charitable or educational purposes of A Better Way. At June 30, 2011 and 2010, \$62,882 and \$58,472, respectively, of "spendable funds" was available for withdrawal.

Changes in endowment net assets for the years ended June 30 were as follows.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment assets, June 30, 2009	\$55,929	\$(18,711)	\$84,905	\$122,123
Investment income		4,279		4,279
Realized gains (losses)		(2,031)		(2,031)
Unrealized gains (losses)		13,180		13,180
Income allocation	2,543	(2,543)		.
Investment expenses	<u>          </u>	<u>(1,738)</u>	<u>          </u>	<u>(1,738)</u>
Endowment assets, June 30, 2010	58,472	(7,564)	84,905	135,813
Investment income		3,432		3,432
Realized gains (losses)		2,953		2,953
Unrealized gains (losses)		22,141		22,141
Income allocation	4,410	(4,410)		.
Investment expenses	<u>          </u>	<u>(1,912)</u>	<u>          </u>	<u>(1,912)</u>
Endowment assets, June 30, 2011	<u>\$62,882</u>	<u>\$14,640</u>	<u>\$84,905</u>	<u>\$162,427</u>

A Better Way's primary investment objective is to maximize total return within reasonable and prudent levels of risk while maintaining sufficient liquidity to meet disbursement needs and ensure preservation of capital. Income available under A Better Way's spending policy will be used for the support of the charitable purposes of the A Better Way Shelter program.

**A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

**June 30, 2011 and 2010**

**NOTE D - ENDOWMENT ACCOUNT**

A Better Way is the beneficiary of an endowment account established with The Community Foundation of Muncie and Delaware County, Inc. Funds from this endowment are made available to A Better Way as allocated by The Community Foundation. The balance in this account at June 30, 2011 was \$31,617, with an available "spendable balance" of \$2,304. The balance in this account at June 30, 2010 was \$26,251, with an available "spendable balance" of \$1,764.

**NOTE E - COMPENSATED ABSENCES**

Accrued vacation included in the financial statements for the years ended June 30, 2011 and 2010 was \$29,309 and \$27,770, respectively. An accrual for sick time has not been made because the amount cannot be reasonably estimated.

**NOTE F - MORTGAGE PAYABLE**

Building Corporation has a mortgage consisting of a five-year term loan requiring monthly payments of \$923. In February 2011, the loan was modified to reduce the fixed interest rate; all other terms and conditions of the original note remain in full force. Interest is calculated at a fixed rate of 6.00% and 7.50% for the years ending June 30, 2011 and 2010, respectively. The loan matures January 2013 at which time a final payment of the entire unpaid balance of principal and interest will be due. The original loan agreement contains a post-maturity interest rate equal to 11.50% on any unpaid balance owing after maturity. The loan is secured by a mortgage on the office building and land and by an assignment of leases and rents. The outstanding balance at June 30, 2011 and 2010 was \$34,617 and \$42,766, respectively.

Annual maturities of long-term debt for the years ending June 30 are as follows.

Year ending June 30, 2012	\$ 9,265
2013	<u>25,352</u>
	<u>\$34,617</u>

**NOTE G - CONTINGENT LIABILITIES**

A Better Way (under its former name of Family Services of Delaware County, Indiana, Inc.) received forgivable loans from governmental entities in connection with its Passage Way Project within its A Better Way Shelter program. Restrictions relating to occupancy requirements are dictated by the terms of each forgivable loan. The forgivable loans from these governmental entities are described below.

	<u>2011</u>	<u>2010</u>
United States Department of Housing and Urban Development, forgivable 20 years from the date of initial occupancy, with an allowable annual write-off of ten percent (10%) after ten years. Initial occupancy occurred in November 2004.	\$275,000	\$275,000

**A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

**June 30, 2011 and 2010**

**NOTE G - CONTINGENT LIABILITIES - Continued**

	<u>2011</u>	<u>2010</u>
Affordable Housing Program of the Federal Home Loan Bank, forgivable 15 years after the date the project is completed. The project was completed in July 2004.	500,000	500,000
City of Muncie's Department of Community Development, forgivable 20 years after the date the final payment is disbursed by the City. The final payment was disbursed in August 2004.	<u>175,000</u>	<u>175,000</u>
	<u>\$950,000</u>	<u>\$950,000</u>

**NOTE H - RESTRICTIONS ON ASSETS**

At June 30, 2011, temporarily restricted net assets consist of unconditional promises to give in the form of an operating allocation from the United Way, a grant from The Community Foundation, a donor-specific grant from Ball Brothers Foundation, the agency fund's non-spendable balance as allocated by The Community Foundation, as well as a donor-imposed restricted contribution, for which the funds were received during the year ended June 30, 2011, and the remaining funds from a donor-imposed restricted contribution received during the year ended June 30, 2010.

At June 30, 2010, temporarily restricted net assets consist of unconditional promises to give in the form of an operating allocation from the United Way and an Indiana Tobacco Prevention/Cessation grant, and funds received from the Indiana Tobacco Prevention /Cessation grant not yet expended, the agency fund's non-spendable balance as allocated by The Community Foundation of Muncie and Delaware County, Inc., as well as two other donor-imposed restricted contributions, for which the funds were received during the year ended June 30, 2010 and the remaining funds from a donor-imposed restricted contribution received during the year ended June 30, 2009.

Temporarily restricted net assets are available as follows.

	<u>2011</u>	<u>2010</u>
United Way grant for the programs' operations	\$100,000	\$100,000
The Community Foundation program grant	25,000	
Ball Brothers Foundation Fellowship Program grant	7,500	
Indiana Tobacco Prevention/Cessation grant		67,000
Indiana Tobacco Prevention/Cessation grant not yet expended		8,437
Agency fund investment income allocation	14,640	(7,564)
Donor-imposed restricted contribution not yet satisfied	7,838	10,000
Donor-imposed restricted contribution not yet satisfied		7,425
Donor-imposed restricted contribution not yet satisfied		7,955
Donor-imposed restricted contribution not yet satisfied	<u>3,278</u>	
	<u>\$158,256</u>	<u>\$193,253</u>

**A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

**June 30, 2011 and 2010**

**NOTE H - RESTRICTIONS ON ASSETS - Continued**

Net assets were released from donor restrictions by satisfying restrictions as follows.

	<u>2011</u>	<u>2010</u>
Time restriction expired on Indiana Tobacco Prevention Coalition	\$ 75,437	
Time restriction expired on United Way grant	100,000	\$100,000
Time restriction expired on 21st Century Community Learning grant		460,000
Restrictions satisfied on donor-imposed contributions	17,542	27,221
Restrictions satisfied on The Community Foundation's allocation (net)	<u>                    </u>	<u>2,545</u>
	<u>\$192,979</u>	<u>\$589,766</u>

The following assets are temporarily restricted for the purpose of satisfying grants payable to subrecipients. These restrictions have no effect on temporarily restricted net assets at June 30.

	<u>2011</u>	<u>2010</u>
Accounts receivable	<u>\$139,480</u>	<u>\$163,705</u>

Permanently restricted net assets consist of the historical gifts to the agency fund investment in the amount of \$84,905.

**NOTE I - PENSION PLANS**

A Better Way maintains two defined-contribution pension plans and substantially all employees are eligible to participate. The tax-deferred annuity plan has voluntary employee contributions. The basic plan requires an employer contribution equal to 6% of participating employees' compensation. Pension expense for the years ending June 30, 2011 and 2010 amounted to \$39,309 and \$38,527, respectively.

**NOTE J - INTEREST EXPENSE**

Interest costs totaling \$2,931 and \$3,654 were incurred during the years ended June 30, 2011 and 2010, respectively. No interest costs were capitalized as part of the costs of assets acquired during the period.

**NOTE K - DONATED SERVICES**

A Better Way receives a significant amount of donated services from unpaid volunteers who provide varied assistance within its A Better Way Shelter program. No amounts have been recognized in the statement of activities because these services do not meet the criteria for recognition as contributed services. The 3,213 total volunteer hours received for the year ended June 30, 2011 has an estimated fair value of \$48,195. The 4,026.5 total volunteer hours received for the year ended June 30, 2010 has an estimated fair value of \$60,398.

**A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

June 30, 2011 and 2010

**NOTE L - RESTRICTIVE COVENANT**

In addition to the restrictions relating to occupancy requirements associated with the Passage Way Project's forgivable loans, a 30-year restrictive covenant against the property in the project requires the property to remain affordable housing for the duration of the covenant. This covenant is binding upon any successors in title and all subsequent owners and operators of the property.

**NOTE M - FAIR VALUE MEASUREMENTS**

GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy under GAAP are described below.

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable for the asset or liability or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following methods and assumptions were used to estimate fair value of certain financial instruments:

Beneficial interest in investments held by others: Fair value of the agency fund is based on quoted market prices as provided by The Community Foundation.

The following table provides information on those assets measured at fair value on a recurring basis as of June 30, 2011 and 2010.

	Fair Value Measurements Using Significant Other Observable Inputs (Level 2)			
	2011		2010	
	Cost	Fair Value	Cost	Fair Value
Beneficial interest in investments held by others	\$142,991	\$162,427	\$138,518	\$135,813

**A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

**June 30, 2011 and 2010**

**NOTE M - FAIR VALUE MEASUREMENTS - Continued**

Management has determined that the remainder of the Organization's assets and liabilities fall under level 3 of the hierarchy and that it is not practicable to estimate the fair value of the financial and non-financial assets and liabilities for which the carrying value may not approximate the fair value and which would require a future cash flow and/or present-value calculation. This determination was based primarily on management's assessment that the cost of obtaining this information appears excessive.

**NOTE N - COMMITMENTS AND CONTINGENCIES**

The Organizations are subject to laws and regulations relating to the protection of the environment. The Organizations' policies are to accrue environmental and cleanup-related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty the potential financial impact of the Organizations' continuing compliance efforts, management believes any future remediation or other compliance-related costs will not have a material adverse effect on the financial condition or reported results of operations of the Organizations.

**NOTE O - SUBSEQUENT EVENTS**

The Organizations have evaluated subsequent events through November 18, 2011, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION



A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation  
**COMBINED STATEMENT OF SUPPORT AND REVENUE**

Year Ended June 30, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support				
Public support				
Contributions	\$ 177,976			\$ 177,976
United Way of Delaware County	12,609	\$ 100,000		112,609
	190,585	100,000		290,585
Revenue				
Ball Brothers Fellowship Program Grant	37,500	7,500		45,000
Child and Adult Care Food Program	9,329			9,329
Community Development SART Grant	3,610			3,610
Community Foundation Grant	20,000	25,000		45,000
Criminal Justice Grants	108,914			108,914
Criminal Justice Stop Grants	53,318			53,318
Delaware County Treasurer	2,500			2,500
Division of Addiction Services	761,728			761,728
Domestic Violence Grant	53,367			53,367
Emergency Shelters Grant	21,884			21,884
Family Violence Grant	49,831			49,831
ONB - Positive Living & Learning Grant	1,722	3,278		5,000
Social Services Block Grant	22,444			22,444
21st Century Community Learning State Grant	414,785			414,785
US Dept. of Housing and Urban Development	150,718			150,718
Program service fees	51,375			51,375
Rental income	29,801			29,801
Investment income	1,645	63		1,708
Realized gain on investments	2,953			2,953
Unrealized gain on investments		22,141		22,141
Outsourced services	9,300			9,300
Miscellaneous	4,318			4,318
	1,811,042	57,982		1,869,024
 Total support and revenue	 \$ 2,001,627	 \$ 157,982	 \$ 0	 \$ 2,159,609

A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation

COMBINED STATEMENT OF SUPPORT AND REVENUE

Year Ended June 30, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support				
Public support				
Contributions	\$ 144,517	\$ 17,955		\$ 162,472
United Way of Delaware County	19,927	100,000		119,927
	<u>164,444</u>	<u>117,955</u>		<u>282,399</u>
Revenue				
Community Development Block Grant	14,000			14,000
Criminal Justice Grants	114,646			114,646
Criminal Justice Stop Grants	51,923			51,923
Division of Addiction Services	755,878			755,878
Domestic Violence Grant	53,367			53,367
Emergency Shelters Grant	27,798			27,798
Family Violence Grant	51,462			51,462
FEMA Grant	16,750			16,750
Indiana Tobacco Prevention/Cessation Grant	58,563	75,437		134,000
Social Services Block Grant	22,444			22,444
21st Century Community Learning State Grant	10,000			10,000
US Dept. of Housing and Urban Development	161,734			161,734
Program service fees	61,195			61,195
Rental income	28,778			28,778
Investment income	191	2,541		2,732
Realized loss on investments		(2,031)		(2,031)
Unrealized gain on investments		13,180		13,180
Outsourced services	11,300			11,300
Miscellaneous	6,982			6,982
	<u>1,447,011</u>	<u>89,127</u>		<u>1,536,138</u>
 Total support and revenue	 <u>\$ 1,611,455</u>	 <u>\$ 207,082</u>	 <u>\$ 0</u>	 <u>\$ 1,818,537</u>

A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2011

Federal Grantor/Pass-through Grantor/Program	Federal CFDA Number	Grant Contract Number	Expenditure
<b>Department of Health and Human Services</b>			
Pass-through programs from:			
Indiana Criminal Justice Institute:			
Family Violence Prevention	93.671	D3-10-4827	\$ 45,753
Indiana Family & Social Services Administration:			
Indiana Criminal Justice Institute:			
Social Services Block Grants: Domestic Violence Shelter	93.667	18-10-5B-0656-02	22,444
Division of Mental Health:			
Substance Abuse Prevention and Treatment (Note C)	93.959	18-10-2H-0656	818,433
			<hr/>
Total Department of Health and Human Services			886,630
<b>Department of Justice</b>			
Pass-through programs from:			
Indiana Criminal Justice Institute:			
Crime Victim Assistance	16.575	2010-VA-GX-0100	116,222
STOP Violence Against Women	16.588	D3-11-5777	21,290
ARRA STOP Violence Against Women	16.588	D3-10-4757	46,811
			<hr/>
			68,101
			<hr/>
Total Department of Justice			184,323

A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED**

Year Ended June 30, 2011

Federal Grantor/Pass-through Grantor/Program	Federal CFDA Number	Grant Contract Number	Expenditure
<b>Department of Agriculture</b>			
Pass-through program from:			
Indiana Department of Education:			
Child and Adult Care Food Program	10.558		9,329
			<hr/>
Total Department of Agriculture			9,329
<b>Department of Housing and Urban Development</b>			
Supportive Housing Program	14.235	IN0043B5G020802 IN0043B5H021003	135,513
Pass-through program from:			
Indiana Housing Community Development Authority			
Emergency Shelter	14.231	ES-010-001	21,844
			<hr/>
Total Department of Housing and Urban Development			157,357
<b>Department of Education</b>			
Pass-through program from:			
Indiana Department of Education:			
21st Century Community Learning State Grant	84.287	A58-0-10DL-082	400,000
			<hr/>
Total Department of Education			400,000
			<hr/>
<b>Total expenditures of federal awards</b>			<b>\$ 1,637,639</b>
			<hr/> <hr/>

A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED**

Year Ended June 30, 2011

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**NOTE A - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of A Better Way Services, Inc. under programs of the federal government for the year ended June 30, 2011. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of A Better Way Services, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flow of A Better Way Services, Inc.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

**NOTE C - SUBRECIPIENTS**

A Better Way Services, Inc. provided the following federal awards to subrecipients.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided</u>
Substance Abuse Prevention and Treatment Block Grant	93.959	\$440,365

A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2010

Federal Grantor/Pass-through Grantor/Program	Federal CFDA Number	Grant Contract Number	Federal Expenditure
<b>Department of Health and Human Services</b>			
Pass-through programs from:			
Indiana Family & Social Services Administration:			
Indiana Criminal Justice Institute:			
Family Violence Prevention	93.671	D3-10-4827	\$ 42,920
Social Services Block Grants:			
Domestic Violence Shelter	93.667	F1-0-18-10-5B-0656	22,444
Division of Mental Health:			
Substance Abuse Prevention and Treatment (Note B)	93.959	A55-0-18-10-2H-06	586,743
			652,107
<b>Department of Justice</b>			
Pass-through programs from:			
Indiana Criminal Justice Institute:			
Crime Victim Assistance	16.575	D3-10-4426 2008-VA-GX-0031	103,440
STOP Violence Against Women	16.588	D3-10-4850 2009-WF-AX-0006	24,676
ARRA STOP Violence Against Women	16.588	D3-10-4757 2009-EF-S6-0020	12,414
			37,090
			140,530

A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED**

Year Ended June 30, 2010

Federal Grantor/Pass-through Grantor/Program	Federal CFDA Number	Grant Contract Number	Federal Expenditure
<b>Department of Homeland Security</b>			
Pass-through program from:			
United Way of Delaware County:			
Emergency Food and Shelter Program	97.024	265600-005	16,750
			<hr/>
Total Department of Homeland Security			16,750
<b>Department of Housing and Urban Development</b>			
Supportive Housing Program	14.235	IN0043B5H020802	161,923
Pass-through programs from:			
Muncie, Indiana Community Development Office:			
Community Development Block Grant:			
Telecare	14.218		3,000
Children's Programs	14.218		11,000
Kids' Programs	14.218		5,000
			<hr/>
			19,000
Indiana Housing Community Development Authority			
Emergency Shelter	14.231	ES-009-001	27,798
			<hr/>
Total Department of Housing and Urban Development			208,721
<b>Department of Education</b>			
Pass-through program from:			
Indiana Department of Education:			
21st Century Community Learning State Grant	84.287	A-58-9-09TW-002	470,000
			<hr/>
<b>Total expenditures of federal awards</b>			<b>\$ 1,488,108</b>

A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

Year Ended June 30, 2010

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**NOTE A - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of A Better Way Services, Inc. and is presented on the cash basis of accounting, and accordingly, represents the total cash expended for the programs. It does not include transactions that might be included using the accrual basis of accounting as contemplated by generally accepted accounting principles. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*. Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements of the federal programs.

**NOTE B - SUBRECIPIENTS**

A Better Way Services, Inc. provided the following federal awards to subrecipients.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided</u>
Substance Abuse Prevention and Treatment Block Grant	93.959	\$275,105



A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation

SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS

Year Ended June 30, 2011

State Grantor/Program	Grant Contract Number	State Expenditure
<b>State of Indiana</b>		
Pass-through programs from:		
Indiana Family & Social Services Administration:		
Division of Family Resources:		
Domestic Violence Prevention and Treatment	F1-0-18-10-OF-0656	\$ 53,367
		<hr/>
Total Indiana Family & Social Services Administration		53,367
Indiana Tobacco Use Prevention and Cessation Executive Board		
Indiana Tobacco Use Prevention and Cessation Trust Fund	A5-10-COM18	75,437
		<hr/>
Total Indiana Tobacco Use Prevention and Cessation Executive Board		75,437
		<hr/>
<b>Total expenditures of state awards</b>		<b>\$ 128,804</b>
		<hr/> <hr/>
Local Grantor/Program	Grant Contract Number	Local Expenditure
Delaware County Commissioners:		
Domestic Violence Shelter	N/A	\$ 800
Treasurer of Delaware County		
Domestic Violence Shelter	N/A	2,500
		<hr/>
<b>Total expenditures of local awards</b>		<b>\$ 3,300</b>
		<hr/> <hr/>

A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation

SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS

Year Ended June 30, 2010

State Grantor/Program	Grant Contract Number	State Expenditure
<b>State of Indiana</b>		
Pass-through programs from:		
Indiana Family & Social Services Administration:		
Division of Family Resources:		
Domestic Violence Prevention and Treatment	F1-0-18-10-OF-0656	\$ 53,367
		<hr/>
Total Indiana Family & Social Services Administration		53,367
Indiana Tobacco Use Prevention and Cessation Executive Board		
Indiana Tobacco Use Prevention and Cessation Trust Fund	A5-10-COM18	58,563
		<hr/>
Total Indiana Tobacco Use Prevention and Cessation Executive Board		58,563
		<hr/>
<b>Total expenditures of state awards</b>		<b>\$ 111,930</b>

Local Grantor/Program	Grant Contract Number	Local Expenditure
Delaware County Commissioners:		
Domestic Violence Shelter	N/A	\$ 9,000
		<hr/>
<b>Total expenditures of local awards</b>		<b>\$ 9,000</b>

**A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year Ended June 30, 2011**

1. The auditors' report expresses an unqualified opinion on the financial statements of A Better Way Services, Inc. and affiliate.
2. No reportable conditions relating to the audit of the financial statements are reported in the "Independent Auditors' Report" on combined financial statements and schedule of federal awards.
3. No instances of non-compliance material to the financial statements of A Better Way Services, Inc. were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the "Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133."
5. The auditors' report on compliance for A Better Way Services, Inc. expresses an unqualified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for A Better Way Services, Inc.
7. The programs tested as major programs included:

<u>CFDA #</u>	<u>Name of Program</u>
93.959	Substance Abuse Prevention and Treatment Block Grant
84.287	21 <sup>st</sup> Century Community Learning State Grant

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. A Better Way Services, Inc. was determined to be a low-risk auditee.

**A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year Ended June 30, 2010**

1. The auditors' report expresses an unqualified opinion on the financial statements of A Better Way Services, Inc. and affiliate.
2. No reportable conditions relating to the audit of the financial statements are reported in the "Independent Auditors' Report" on combined financial statements and schedule of federal awards.
3. No instances of non-compliance material to the financial statements of A Better Way Services, Inc. were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the "Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133."
5. The auditors' report on compliance for A Better Way Services, Inc. expresses an unqualified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for A Better Way Services, Inc.
7. The programs tested as major programs included:

<u>CFDA #</u>	<u>Name of Program</u>
93.959	Substance Abuse Prevention and Treatment Block Grant
84.287	21 <sup>st</sup> Century Community Learning State Grant

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. A Better Way Services, Inc. did not qualify as a low-risk auditee.

**A Better Way Services, Inc.**  
**Family Services of Delaware County Building Corporation**

**COMBINED STATEMENT OF FINANCIAL POSITION BY ENTITY**

June 30, 2011

	<u>A Better Way</u>	<u>Building Corporation</u>	<u>Eliminations</u>	<u>Combined</u>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	\$ 25,195	\$ 71,248		\$ 96,443
Unconditional promises to give	132,500			132,500
Accounts receivable	222,652			222,652
Prepaid expenses	7,432			7,432
	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	387,779	71,248		459,027
<b>PROPERTY, BUILDINGS AND EQUIPMENT</b>				
Buildings and improvements	1,355,051	812,149		2,167,200
Equipment	190,041	14,636		204,677
	<hr/>	<hr/>	<hr/>	<hr/>
	1,545,092	826,785		2,371,877
Less accumulated depreciation	381,978	389,147		771,125
	<hr/>	<hr/>	<hr/>	<hr/>
Land	1,163,114	437,638		1,600,752
		47,500		47,500
	<hr/>	<hr/>	<hr/>	<hr/>
	1,163,114	485,138		1,648,252
<b>OTHER ASSETS</b>				
Beneficial interest in investments held by others	162,427			162,427
Note receivable, Building Corporation	95,246		\$ (95,246)	
	<hr/>	<hr/>	<hr/>	<hr/>
	257,673		(95,246)	162,427
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 1,808,566	\$ 556,386	\$ (95,246)	\$ 2,269,706
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	<u>A Better Way</u>	<u>Building Corporation</u>	<u>Eliminations</u>	<u>Combined</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Deposits	\$ 1,978			\$ 1,978
Accounts payable	4,776			4,776
Current maturities of long-term liabilities		\$ 9,265		9,265
Grants payable	147,415			147,415
Accrued and withheld liabilities	70,957			70,957
	<hr/>	<hr/>	<hr/>	<hr/>
Total current liabilities	225,126	9,265		234,391
<b>LONG-TERM LIABILITIES</b>				
Mortgage payable, less current maturities		25,352		25,352
Note payable, A Better Way		95,246	\$ (95,246)	
Contingent liabilities	950,000			950,000
	<hr/>	<hr/>	<hr/>	<hr/>
	950,000	120,598	(95,246)	975,352
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	1,175,126	129,863	(95,246)	1,209,743
<b>NET ASSETS</b>				
Unrestricted	390,279	426,523		816,802
Temporarily restricted	158,256			158,256
Permanently restricted	84,905			84,905
	<hr/>	<hr/>	<hr/>	<hr/>
	633,440	426,523		1,059,963
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 1,808,566	\$ 556,386	\$ (95,246)	\$ 2,269,706
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation**

**COMBINED STATEMENT OF FINANCIAL POSITION BY ENTITY**

June 30, 2010

	<u>A Better Way</u>	<u>Building Corporation</u>	<u>Eliminations</u>	<u>Combined</u>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	\$ 71,025	\$ 56,202		\$ 127,227
Unconditional promises to give	167,000			167,000
Accounts receivable	266,279			266,279
Prepaid expenses	15,392			15,392
	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	519,696	56,202		575,898
<b>PROPERTY, BUILDINGS AND EQUIPMENT</b>				
Buildings and improvements	1,355,051	812,149		2,167,200
Equipment	194,344	14,636		208,980
	<hr/>	<hr/>	<hr/>	<hr/>
Less accumulated depreciation	1,549,395	826,785		2,376,180
	347,422	361,413		708,835
	<hr/>	<hr/>	<hr/>	<hr/>
Land	1,201,973	465,372		1,667,345
		47,500		47,500
	<hr/>	<hr/>	<hr/>	<hr/>
	1,201,973	512,872		1,714,845
<b>OTHER ASSETS</b>				
Beneficial interest in investments held by others	135,813			135,813
Note receivable, Building Corporation	105,246		\$ (105,246)	
	<hr/>	<hr/>	<hr/>	<hr/>
	241,059		(105,246)	135,813
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>\$ 1,962,728</u>	<u>\$ 569,074</u>	<u>\$ (105,246)</u>	<u>\$ 2,426,556</u>

	A Better Way	Building Corporation	Eliminations	Combined
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Deposits	\$ 1,854			\$ 1,854
Accounts payable	10,545			10,545
Current maturities of long-term liabilities		\$ 8,162		8,162
Grants payable	181,540			181,540
Accrued and withheld liabilities	64,386			64,386
	<hr/>	<hr/>	<hr/>	<hr/>
Total current liabilities	258,325	8,162		266,487
<b>LONG-TERM LIABILITIES</b>				
Mortgage payable, less current maturities		34,604		34,604
Note payable, A Better Way		105,246	\$ (105,246)	
Contingent liabilities	950,000			950,000
	<hr/>	<hr/>	<hr/>	<hr/>
	950,000	139,850	(105,246)	984,604
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	1,208,325	148,012	(105,246)	1,251,091
<b>NET ASSETS</b>				
Unrestricted	476,245	421,062		897,307
Temporarily restricted	193,253			193,253
Permanently restricted	84,905			84,905
	<hr/>	<hr/>	<hr/>	<hr/>
	754,403	421,062		1,175,465
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 1,962,728	\$ 569,074	\$ (105,246)	\$ 2,426,556
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation

**COMBINED STATEMENT OF ACTIVITIES BY ENTITY**

Year Ended June 30, 2011

	A Better Way		
	Unrestricted	Temporarily Restricted	Permanently Restricted
Support and revenue			
Public support	\$ 190,585	\$ 100,000	
Revenue	1,789,935	57,982	
	<hr/>	<hr/>	<hr/>
Total support and revenue	1,980,520	157,982	
Net assets released from restrictions			
Expiration of time/usage restrictions	192,979	(192,979)	
	<hr/>	<hr/>	<hr/>
	2,173,499	(34,997)	
Expenses			
Program services			
A Better Way Shelter	1,224,223		
Afternoons R.O.C.K.	817,125		
	<hr/>	<hr/>	<hr/>
	2,041,348		
Supporting services			
Management and General	218,117		
	<hr/>	<hr/>	<hr/>
Total expenses	2,259,465		
	<hr/>	<hr/>	<hr/>
<b>DECREASE IN NET ASSETS</b>	(85,966)	(34,997)	
Net assets at beginning of year	476,245	193,253	\$ 84,905
	<hr/>	<hr/>	<hr/>
Net assets at end of year	\$ 390,279	\$ 158,256	\$ 84,905
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<b>Building Corporation</b>			
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Eliminations</u>	<u>Combined</u>
\$ 37,307		\$ (16,200)	\$ 290,585 1,869,024
37,307		(16,200)	2,159,609
37,307		(16,200)	2,159,609
		(6,000) (6,018)	1,218,223 811,107
		(12,018)	2,029,330
31,846		(4,182)	245,781
31,846		(16,200)	2,275,111
5,461			(115,502)
421,062			1,175,465
<u>\$ 426,523</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,059,963</u>

A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation

**COMBINED STATEMENT OF ACTIVITIES BY ENTITY**

Year Ended June 30, 2010

	A Better Way		
	Unrestricted	Temporarily Restricted	Permanently Restricted
Support and revenue			
Public support	\$ 164,444	\$ 117,955	
Revenue	1,426,574	89,127	
	<hr/>	<hr/>	<hr/>
Total support and revenue	1,591,018	207,082	
Net assets released from restrictions			
Expiration of time/usage restrictions	582,545	(582,545)	
Restrictions satisfied by payments	7,221	(7,221)	
	<hr/>	<hr/>	<hr/>
	2,180,784	(382,684)	
Expenses			
Program services			
A Better Way Shelter	1,225,526		
Afternoons R.O.C.K.	807,257		
	<hr/>	<hr/>	<hr/>
	2,032,783		
Supporting services			
Management and General	192,641		
	<hr/>	<hr/>	<hr/>
Total expenses	2,225,424		
	<hr/>	<hr/>	<hr/>
<b>DECREASE IN NET ASSETS</b>	(44,640)	(382,684)	
Net assets at beginning of year	520,885	575,937	\$ 84,905
	<hr/>	<hr/>	<hr/>
Net assets at end of year	\$ 476,245	\$ 193,253	\$ 84,905
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Building Corporation			
Unrestricted	Temporarily Restricted	Eliminations	Combined
\$ 36,637		\$ (16,200)	\$ 282,399 1,536,138
36,637		(16,200)	1,818,537
36,637		(16,200)	1,818,537
		(6,000) (6,018)	1,219,526 801,239
		(12,018)	2,020,765
38,654		(4,182)	227,113
38,654		(16,200)	2,247,878
(2,017)			(429,341)
423,079			1,604,806
\$ 421,062	\$ 0	\$ 0	\$ 1,175,465

**A Better Way Services, Inc.**  
**Family Services of Delaware County Building Corporation**

**COMBINED STATEMENT OF CASH FLOW BY ENTITY**

Year Ended June 30, 2011

	<u>A</u> <u>Better Way</u>	<u>Building</u> <u>Corporation</u>	<u>Eliminations</u>	<u>Combined</u>
Cash flow from operating activities:				
Increase (decrease) in net assets	\$ (120,963)	\$ 5,461		\$(115,502)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Depreciation	61,953	27,734		89,687
Realized gain on investments	(2,953)			(2,953)
Unrealized gain on investments	(22,141)			(22,141)
(Increase) decrease in assets:				
Unconditional promises to give	34,500			34,500
Accounts receivable	43,627			43,627
Prepaid expenses	7,960			7,960
Increase (decrease) in liabilities:				
Deposits	124			124
Accounts payable	(5,769)			(5,769)
Grants payable	(34,125)			(34,125)
Accrued and withheld liabilities	6,571			6,571
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash provided by (used in) operating activities	(31,216)	33,195		1,979
Cash flow from investing activities:				
Cash payments for the purchase of property	(23,094)			(23,094)
Net change in investments	(1,520)			(1,520)
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash used in investing activities	(24,614)			(24,614)
Cash flow from financing activities:				
Principal payments on long-term liabilities		(18,149)	\$ 10,000	(8,149)
Receipt on note receivable	10,000		(10,000)	
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash provided by (used in) financing activities	10,000	(18,149)		(8,149)
	<hr/>	<hr/>	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents	(45,830)	15,046		(30,784)
Cash and cash equivalents at beginning of year	71,025	56,202		127,227
	<hr/>	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at end of year	\$ 25,195	\$ 71,248	\$ 0	\$ 96,443
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation

**COMBINED STATEMENT OF CASH FLOW BY ENTITY - CONTINUED**

Year Ended June 30, 2011

	A Better Way	Building Corporation	Eliminations	Combined
Supplemental information:				
Cash paid during the year for interest	\$ 0	\$ 2,931	\$ 0	\$ 2,931

A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation

COMBINED STATEMENT OF CASH FLOW BY ENTITY

Year Ended June 30, 2010

	A Better Way	Building Corporation	Eliminations	Combined
Cash flow from operating activities:				
Decrease in net assets	\$ (427,324)	\$ (2,017)		\$(429,341)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Depreciation	59,875	27,724		87,599
Loss on disposal of assets		2,859		2,859
Realized loss on investments	2,031			2,031
Unrealized gain on investments	(13,180)			(13,180)
(Increase) decrease in assets:				
Unconditional promises to give	413,000			413,000
Accounts receivable	(219,834)			(219,834)
Increase (decrease) in liabilities:				
Deposits	351			351
Accounts payable	7,460			7,460
Other payables	(1,278)			(1,278)
Grants payable	150,245			150,245
Accrued and withheld liabilities	7,093			7,093
Net cash provided by (used in) operating activities	(21,561)	28,566		7,005
Cash flow from investing activities:				
Cash payments for the purchase of property	(42,148)	(16,300)		(58,448)
Net change in investments	(2,541)			(2,541)
Net cash used in investing activities	(44,689)	(16,300)		(60,989)
Cash flow from financing activities:				
Principal payments on long-term liabilities		(46,689)	\$ 39,260	(7,429)
Issuance of note receivable	(13,373)		13,373	
Proceeds from note payable		13,373	(13,373)	
Receipt on note receivable	39,260		(39,260)	
Net cash provided by (used in) financing activities	25,887	(33,316)		(7,429)
Net decrease in cash and cash equivalents	(40,363)	(21,050)		(61,413)
Cash and cash equivalents at beginning of year	111,388	77,252		188,640
Cash and cash equivalents at end of year	\$ 71,025	\$ 56,202	\$ 0	\$ 127,227

A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation

COMBINED STATEMENT OF CASH FLOW BY ENTITY - CONTINUED

Year Ended June 30, 2010

	<u>A</u> <u>Better Way</u>	<u>Building</u> <u>Corporation</u>	<u>Eliminations</u>	<u>Combined</u>
Supplemental information:				
Cash paid during the year for interest	\$ 0	\$ 3,654	\$ 0	\$ 3,654



A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation

**COMBINED STATEMENT OF FUNCTIONAL EXPENSES BY ENTITY**

Year Ended June 30, 2011

	A Better Way			
	A Better Way Shelter	Afternoons R.O.C.K.	Total Program Services	Management and General
Salaries	\$ 620,926	\$ 126,184	\$ 747,110	\$ 101,444
Employee benefits	261,328	60,390	321,718	34,726
Payroll taxes	47,586	8,720	56,306	6,071
Professional fees	63,534	8,145	71,679	6,108
Supplies	30,581	3,323	33,904	2,043
Telephone	8,790	2,446	11,236	1,882
Postage	578	287	865	1,182
Occupancy	53,777	7,355	61,132	5,075
Equipment rental and maintenance	15,792	866	16,658	940
Conferences and training workshops	1,061	2,543	3,604	50
Interest				
Employee allowance	3,281	4,240	7,521	135
Membership dues	900	250	1,150	182
Grants		573,215	573,215	
Insurance	28,017	3,321	31,338	6,214
Fund raising				27,107
Program materials	17,015	14,494	31,509	989
Program transportation	30,656	1,152	31,808	
Miscellaneous	751	194	945	1,666
	1,184,573	817,125	2,001,698	195,814
Total expenses before depreciation				
Depreciation	39,650		39,650	22,303
	\$ 1,224,223	\$ 817,125	\$ 2,041,348	\$ 218,117
Total expenses				

<u>Building Corporation</u>		
<u>Management and General</u>	<u>Eliminations</u>	<u>Combined</u>
		\$ 848,554
		356,444
		62,377
		77,787
		35,947
		13,118
		2,047
\$ 754	\$ (16,200)	50,007
		18,352
		3,654
2,931		2,931
		7,656
		1,332
		573,215
		37,552
		27,107
		32,498
		31,808
427		3,038
<hr/>	<hr/>	<hr/>
4,112	(16,200)	2,185,424
27,734		89,687
<hr/>	<hr/>	<hr/>
\$ 31,846	\$ (16,200)	\$ 2,275,111
<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation

COMBINED STATEMENT OF FUNCTIONAL EXPENSES BY ENTITY

Year Ended June 30, 2010

	A Better Way			
	A Better Way Shelter	Afternoons R.O.C.K.	Total Program Services	Management and General
Salaries	\$ 594,129	\$ 115,424	\$ 709,553	\$ 75,691
Employee benefits	251,473	55,386	306,859	32,292
Payroll taxes	45,706	7,932	53,638	5,549
Professional fees	84,296	10,665	94,961	4,988
Supplies	51,754	12,310	64,064	2,217
Telephone	8,494	2,223	10,717	1,801
Postage	801	163	964	1,179
Occupancy	41,721	7,145	48,866	5,699
Equipment rental and maintenance	11,485	282	11,767	573
Conferences and training workshops	5,507	3,331	8,838	90
Interest				
Employee allowance	2,581	4,068	6,649	126
Membership dues	1,505	170	1,675	
Advertising	479	491	970	
Insurance	29,244	3,853	33,097	6,899
Grants		500,365	500,365	
Fund raising				31,993
Program materials	18,027	83,449	101,476	
Program transportation	39,658		39,658	
Loss on disposal of assets				
Miscellaneous	185		185	2,150
	1,187,045	807,257	1,994,302	171,247
Depreciation	38,481		38,481	21,394
	\$ 1,225,526	\$ 807,257	\$ 2,032,783	\$ 192,641

<u>Building Corporation</u>		
<u>Management and General</u>	<u>Eliminations</u>	<u>Combined</u>
		\$ 785,244
		339,151
		59,187
		99,949
		66,281
		12,518
		2,143
	\$ (16,200)	38,365
\$ 3,975		16,315
		8,928
		3,654
3,654		6,775
		1,675
		970
		39,996
		500,365
		31,993
		101,476
		39,658
2,858		2,858
443		2,778
10,930	(16,200)	2,160,279
27,724		87,599
<u>\$ 38,654</u>	<u>\$ (16,200)</u>	<u>\$ 2,247,878</u>

A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation

**COMBINED STATEMENT OF SUPPORT AND REVENUE BY ENTITY**

Year Ended June 30, 2011

	A Better Way		
	Unrestricted	Temporarily Restricted	Permanently Restricted
Support			
Public support			
Contributions	\$ 177,976	\$	
United Way of Delaware County	12,609	100,000	
	<u>190,585</u>	<u>100,000</u>	
Revenue			
Ball Brothers Fellowship Program Grant	37,500	7,500	
Child and Adult Care Food Program	9,329		
Community Development SART Grant	3,610		
Community Foundation Grant	20,000	25,000	
Criminal Justice Grants	108,914		
Criminal Justice Stop Grants	53,318		
Delaware County Treasurer	2,500		
Division of Addiction Services	761,728		
Domestic Violence Grant	53,367		
Emergency Shelters Grant	21,884		
Family Violence Grant	49,831		
ONB - Positive Living & Learning	1,722	3,278	
Social Services Block Grant	22,444		
21st Century Community Learning State Grant	414,785		
US Dept. of Housing and Urban Development	150,718		
Program service fees	51,375		
Rental income	8,741		
Investment income	1,598	63	
Realized loss on investments	2,953		
Unrealized loss on investments		22,141	
Outsourced services	9,300		
Miscellaneous	4,318		
	<u>1,789,935</u>	<u>57,982</u>	
 Total support and revenue	 <u>\$ 1,980,520</u>	 <u>\$ 157,982</u>	 <u>\$ 0</u>

Building Corporation			
Unrestricted	Temporarily Restricted	Eliminations	Combined
			\$ 177,976
			112,609
			290,585
			45,000
			9,329
			3,610
			45,000
			108,914
			53,318
			2,500
			761,728
			53,367
			21,884
			49,831
			5,000
			22,444
			414,785
			150,718
			51,375
\$ 37,260		\$ (16,200)	29,801
47			1,708
			2,953
			22,141
			9,300
			4,318
37,307		(16,200)	1,869,024
\$ 37,307	\$ 0	\$ (16,200)	\$ 2,159,609

A Better Way Services, Inc.  
Family Services of Delaware County Building Corporation

COMBINED STATEMENT OF SUPPORT AND REVENUE BY ENTITY

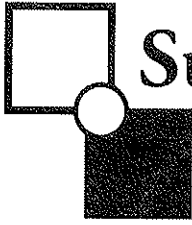
Year Ended June 30, 2010

	A Better Way		
	Unrestricted	Temporarily Restricted	Permanently Restricted
Support			
Public support			
Contributions	\$ 144,517	\$ 17,955	
United Way of Delaware County	19,927	100,000	
	<hr/> 164,444	<hr/> 117,955	
Revenue			
Community Development Block Grant	14,000		
Criminal Justice Grants	114,646		
Criminal Justice Stop Grants	51,923		
Division of Addiction Services	755,878		
Domestic Violence Grant	53,367		
Emergency Shelters Grant	27,798		
Family Violence Grant	51,462		
Federal Emergency Management Agency Grant	16,750		
Indiana Tobacco Prevention/Cessation Grant	58,563	75,437	
Social Services Block Grant	22,444		
21st Century Community Learning State Grant	10,000		
US Dept. of Housing and Urban Development	161,734		
Program service fees	61,195		
Rental income	8,378		
Investment income	154	2,541	
Realized loss on investments		(2,031)	
Unrealized loss on investments		13,180	
Outsourced services	11,300		
Miscellaneous	6,982		
	<hr/> 1,426,574	<hr/> 89,127	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total support and revenue	\$ 1,591,018	\$ 207,082	\$ 0

Building Corporation			
Unrestricted	Temporarily Restricted	Eliminations	Combined
			\$ 162,472
			119,927
			282,399
			14,000
			114,646
			51,923
			755,878
			53,367
			27,798
			51,462
			16,750
			134,000
			22,444
			10,000
			161,734
			61,195
\$ 36,600		\$ (16,200)	28,778
37			2,732
			(2,031)
			13,180
			11,300
			6,982
36,637		(16,200)	1,536,138
\$ 36,637	\$ 0	\$ (16,200)	\$ 1,818,537



SPECIAL REPORTS



# Summers, Carroll, Whisler *LLC*

*Certified Public Accountants*

**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**

**Board of Directors  
A Better Way Services, Inc.**

We have audited the combined financial statements of A Better Way Services, Inc. (a non-profit organization) and affiliate as of and for the years ended June 30, 2011 and 2010, and have issued our report thereon dated November 18, 2011. 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. The financial statements of Family Services of Delaware County Building Corporation (affiliate) were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered A Better Way Services, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of A Better Way Services, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

*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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether A Better Way Services, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, the Indiana State Board of Accounts and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Summus, Carroll, Whisler & C*

Muncie, Indiana  
November 18, 2011



# Summers, Carroll, Whisler *LLC*

*Certified Public Accountants*

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL  
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

**Board of Directors  
A Better Way Services, Inc.**

Compliance

We have audited A Better Way Services, Inc.'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 A Better Way Services, Inc.'s major federal programs for the years ended June 30, 2011 and 2010. A Better Way Services, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of A Better Way Services, Inc.'s management. Our responsibility is to express an opinion on A Better Way Services, Inc.'s compliance based on our audits.

We conducted our audits 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 audits to obtain reasonable assurance about whether non-compliance 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 A Better Way Services, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinion. Our audits do not provide a legal determination of A Better Way Services, Inc.'s compliance with those requirements.

In our opinion, A Better Way Services, Inc. complied, in all material respects, with the 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, 2011 and 2010.

### Internal Control Over Compliance

Management of A Better Way Services, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audits, we considered A Better Way Services, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 A Better Way Services, Inc.'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 non-compliance 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 non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, the Indiana State Board of Accounts and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Summus, Carroll, Whisler LLC*

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