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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, 2012 to June 30, 2013. 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, 2013, 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, 2013 AND 2012

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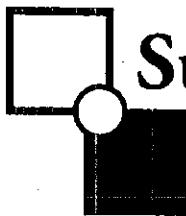
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BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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



Summers, Carroll, Whisler LLC

Certified Public Accountants

Independent Auditors' Report

Board of Directors

A Better Way Services, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of A Better Way Services, Inc. (a nonprofit organization), and its affiliate which comprise the combined statements of financial position as of June 30, 2013 and 2012, and the related combined statements of activities, cash flow, and functional expenses 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 audit. We conducted our audit 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 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 A Better Way Services, Inc. and affiliate as of June 30, 2013 and 2012, and the changes in its net assets and its cash flow for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. The additional supplementary information is presented for purposes of additional analysis and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2013, on our consideration of A Better Way Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering A Better Way Services, Inc.'s internal control over financial reporting and compliance.

Sommers, Carroll, Whisler & Co

Muncie, Indiana
December 3, 2013

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

COMBINED STATEMENTS OF FINANCIAL POSITION

June 30,

	2013	2012
ASSETS		
CURRENT ASSETS		
Cash	\$ 236,652	\$ 156,315
Accounts receivable	66,728	227,071
Prepaid expenses	7,432	7,432
	<hr/>	<hr/>
Total current assets	310,812	390,818
PROPERTY, BUILDINGS AND EQUIPMENT		
Buildings and improvements	2,170,050	2,170,050
Equipment	204,208	197,533
	<hr/>	<hr/>
Less accumulated depreciation	2,374,258	2,367,583
	906,251	841,573
	<hr/>	<hr/>
Land	1,468,007	1,526,010
	47,500	47,500
	<hr/>	<hr/>
	1,515,507	1,573,510
OTHER ASSETS		
Beneficial interest in investments held by others	115,015	102,447
	<hr/>	<hr/>
	115,015	102,447
	<hr/>	<hr/>
	\$ 1,941,334	\$ 2,066,775
	<hr/>	<hr/>

The accompanying notes are an integral part of these statements.

	2013	2012
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Deposits	\$ 1,182	\$ 2,538
Accounts payable	1,963	2,883
Current maturities of long-term liabilities	-	25,833
Grants payable	7,935	108,745
Accrued and withheld liabilities	32,533	42,401
	<hr/>	<hr/>
Total current liabilities	43,613	182,400
LONG-TERM LIABILITIES		
Contingent liabilities	950,000	950,000
	<hr/>	<hr/>
	950,000	950,000
	<hr/>	<hr/>
Total liabilities	993,613	1,132,400
NET ASSETS		
Unrestricted	831,224	823,130
Temporarily restricted	31,592	26,340
Permanently restricted	84,905	84,905
	<hr/>	<hr/>
	947,721	934,375
	<hr/>	<hr/>
	\$ 1,941,334	\$ 2,066,775
	<hr/>	<hr/>

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

COMBINED STATEMENT OF ACTIVITIES

Year Ended June 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and revenue				
Public support				
Revenue	\$ 237,940	\$ 19,939		\$ 257,879
	<u>1,351,477</u>	<u>13,906</u>		<u>1,365,383</u>
 Total support and revenue	 1,589,417	 33,845		 1,623,262
 Net assets released from restrictions				
Expiration of time/usage restrictions	28,593	(28,593)		
	<u>28,593</u>	<u>(28,593)</u>		
	1,618,010	5,252		1,623,262
 Expenses				
Program services				
A Better Way Shelter	1,113,038			1,113,038
Afternoons R.O.C.K.	300,511			300,511
	<u>1,113,038</u>			<u>1,113,038</u>
	<u>300,511</u>			<u>300,511</u>
	1,413,549			1,413,549
 Supporting services				
Management and general	196,367			196,367
	<u>196,367</u>			<u>196,367</u>
 Total expenses	 1,609,916			 1,609,916
 INCREASE IN NET ASSETS	 8,094	 5,252		 13,346
 Net assets at beginning of year	 823,130	 26,340	 \$ 84,905	 934,375
 Net assets at end of year	 \$ 831,224	 \$ 31,592	 \$ 84,905	 \$ 947,721

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, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and revenue				
Public support				
Revenue	\$ 243,446 1,903,090	\$ 20,655 (5,092)		\$ 264,101 1,897,998
Total support and revenue	2,146,536	15,563		2,162,099
Net assets released from restrictions				
Expiration of time/usage restrictions	147,479	(147,479)		
	2,294,015	(131,916)		2,162,099
Expenses				
Program services				
A Better Way Shelter	1,258,549			1,258,549
Afternoons R.O.C.K.	806,142			806,142
	2,064,691			2,064,691
Supporting services				
Management and general	222,996			222,996
	2,287,687			2,287,687
INCREASE (DECREASE) IN NET ASSETS	6,328	(131,916)		(125,588)
Net assets at beginning of year	816,802	158,256	\$ 84,905	1,059,963
Net assets at end of year	<u>\$ 823,130</u>	<u>\$ 26,340</u>	<u>\$ 84,905</u>	<u>\$ 934,375</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,

	2013	2012
Cash flow from operating activities:		
Increase (Decrease) in net assets	\$ 13,346	\$ (125,588)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	78,538	77,591
Donated assets	(1,884)	(1,884)
Realized gain on investments	(1,545)	(1,098)
Unrealized (gain) loss on investments	(9,652)	5,092
(Increase) decrease in assets:		
Unconditional promises to give		132,500
Accounts receivable	160,343	(4,419)
Increase (decrease) in liabilities:		
Deposits	(1,356)	560
Accounts payable	(920)	(1,893)
Grants payable	(100,810)	(38,670)
Accrued and withheld liabilities	(9,868)	(28,556)
Net cash provided by operating activities	126,192	15,519
Cash flow from investing activities:		
Cash payments for the purchase of property	(18,651)	(2,850)
Net change in investments	(1,371)	55,987
Net cash provided by (used in) investing activities	(20,022)	53,137
Cash flow from financing activities:		
Principal payments on long-term liabilities	(25,833)	(8,784)
Net cash used in financing activities	(25,833)	(8,784)
Net increase in cash and cash equivalents	80,337	59,872
Cash and cash equivalents at beginning of year	156,315	96,443
Cash and cash equivalents at end of year	\$ 236,652	\$ 156,315

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

COMBINED STATEMENTS OF CASH FLOW - CONTINUED

Years Ended June 30,

	2013	2012
Supplemental information:		
Cash paid during the year for interest	<u><u>\$ 629</u></u>	<u><u>\$ 2,298</u></u>

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

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2013

	A Better Way Shelter	Afternoons R.O.C.K.	Total Program Services	Management and General	Total
Salaries	\$ 559,146	\$ 58,899	\$ 618,045	\$ 93,254	\$ 711,299
Employee benefits	179,703	20,090	199,793	14,658	214,451
Payroll taxes	42,166	5,010	47,176	5,947	53,123
Professional fees	71,779	7,535	79,314	5,170	84,484
Supplies	34,315	842	35,157	1,608	36,765
Telephone	8,162	3,310	11,472	1,295	12,767
Postage	266	205	471	1,015	1,486
Occupancy	44,691	1,228	45,919	2,192	48,111
Equipment rental and maintenance	12,267	156	12,423	1,354	13,777
Conferences and training workshops	5,026	75	5,101	75	5,176
Interest				629	629
Employee allowance	1,660	1,038	2,698	109	2,807
Membership dues	1,825		1,825	157	1,982
Grants		195,555	195,555		195,555
Insurance	26,703	870	27,573	6,484	34,057
Fund raising				13,403	13,403
Program materials	43,095	5,538	48,633	440	49,073
Program transportation	43,328		43,328		43,328
Miscellaneous	6,442	160	6,602	2,503	9,105
 Total expenses before depreciation	 1,080,574	 300,511	 1,381,085	 150,293	 1,531,378
Depreciation	32,464		32,464	46,074	78,538
 Total expenses	 \$ 1,113,038	 \$ 300,511	 \$ 1,413,549	 \$ 196,367	 \$ 1,609,916

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, 2012

	A Better Way Shelter	Afternoons R.O.C.K.	Total Program Services	Management and General	Total
Salaries	\$ 575,071	\$ 127,431	\$ 702,502	\$ 102,729	\$ 805,231
Employee benefits	284,659	96,597	381,256	26,067	407,323
Payroll taxes	85,153	9,801	94,954	6,466	101,420
Professional fees	89,447	10,200	99,647	6,842	106,489
Supplies	26,410	566	26,976	1,255	28,231
Telephone	9,781	3,298	13,079	1,940	15,019
Postage	420	183	603	712	1,315
Occupancy	51,889	1,535	53,424	1,245	54,669
Equipment rental and maintenance	13,606	641	14,247	2,643	16,890
Conferences and training workshops	2,583	1,342	3,925	85	4,010
Interest				2,298	2,298
Employee allowance	2,757	3,396	6,153	129	6,282
Membership dues	2,911	20	2,931	257	3,188
Grants		528,750	528,750		528,750
Insurance	21,692	2,833	24,525	4,978	29,503
Fund raising				16,735	16,735
Program materials	20,840	18,237	39,077	1,000	40,077
Program transportation	37,568	1,152	38,720		38,720
Miscellaneous	1,825	160	1,985	1,961	3,946
Total expenses before depreciation	1,226,612	806,142	2,032,754	177,342	2,210,096
Depreciation	31,937		31,937	45,654	77,591
Total expenses	\$ 1,258,549	\$ 806,142	\$ 2,064,691	\$ 222,996	\$ 2,287,687

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, 2013 and 2012

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. Approximately 20% and 26% of the Organization's support for the year ended June 30, 2013 came from grants authorized by the Department of Health and Human Services and the Department of Education, respectively; while approximately 41% and 20% of the Organization's support for the year ended June 30, 2012 came from these respective grants.

A Better Way's major programs (as relative to federal awards) are its Afternoons R.O.C.K. program, and the 21st 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.

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, 2013 and 2012

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 2009.

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

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2013 and 2012

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.

Grant revenue that is restricted by the grantor is reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the grant revenue is recognized. All other donor-restricted support is reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When the restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

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 - 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, 2013 and 2012, \$18,457 and \$11,857, respectively, of "spendable funds" was available for withdrawal.

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

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2013 and 2012

NOTE B - BENEFICIAL INTEREST IN INVESTMENTS HELD BY OTHERS - Continued

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, 2011	\$62,882	\$14,640	\$84,905	\$162,427
Investment income	3,363			3,363
Realized gains (losses)	1,098			1,098
Unrealized gains (losses)		(5,092)		(5,092)
Income allocation / withdrawal	(53,929)	(3,863)		(57,792)
Investment expenses	(1,557)			(1,557)
Endowment assets, June 30, 2012	11,857	5,685	84,905	102,447
Investment income	2,709			2,709
Realized gains (losses)	1,545			1,545
Unrealized gains (losses)		9,652		9,652
Income allocation	3,684	(3,684)		0
Investment expenses	(1,338)			(1,338)
Endowment assets, June 30, 2013	<u><u>\$18,457</u></u>	<u><u>\$11,653</u></u>	<u><u>\$84,905</u></u>	<u><u>\$115,015</u></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.

NOTE C - 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, 2013 was \$33,960, with an available "spendable balance" of \$1,946. The balance in this account at June 30, 2012 was \$29,631, with an available "spendable balance" of \$886.

NOTE D - COMPENSATED ABSENCES

Accrued vacation included in the financial statements for the years ended June 30, 2013 and 2012 was \$17,816 and \$27,186, respectively. An accrual for sick time has not been made because the amount cannot be reasonably estimated.

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

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2013 and 2012

NOTE E - MORTGAGE PAYABLE

Building Corporation had a mortgage which consisted 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 remained in full force. Interest was calculated at a fixed rate of 6.00% for both years ending June 30, 2013 and 2012. The loan matured January 2013 at which time a final payment of the entire unpaid balance of principal and interest was due. The loan was secured by a mortgage on the office building and land and by an assignment of leases and rents. The outstanding balance at June 30, 2012 was \$25,833. The loan was paid off in its entirety in January 2013.

NOTE F - 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>2013</u>	<u>2012</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
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.	175,000	175,000
	<u>\$950,000</u>	<u>\$950,000</u>

NOTE G - RESTRICTIONS ON ASSETS

At June 30, 2013, temporarily restricted net assets consist of agency fund's non-spendable balance as allocated by The Community Foundation of Muncie and Delaware County, Inc. and three donor-imposed restricted contributions for which the funds were received during the year ended June 30, 2013.

At June 30, 2012, temporarily restricted net assets consist of the agency fund's non-spendable balance as allocated by The Community Foundation of Muncie and Delaware County, Inc., a donor-specific grant from Ball Brothers Foundation, as well as a donor-imposed restricted contribution, for which the funds were received during the year ended June 30, 2012.

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

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2013 and 2012

NOTE G - RESTRICTIONS ON ASSETS - Continued

Temporarily restricted net assets are available as follows.

	<u>2013</u>	<u>2012</u>
Ball Brothers Foundation Marketing grant		\$20,000
Agency fund investment income allocation	\$11,653	5,685
Donor-imposed restricted contribution not yet satisfied		655
Donor-imposed restricted contribution not yet satisfied	10,000	
Donor-imposed restricted contribution not yet satisfied	9,374	
Donor-imposed restricted contribution not yet satisfied	565	
	<u>\$31,592</u>	<u>\$26,340</u>

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

	<u>2013</u>	<u>2012</u>
Time restriction expired on United Way grant		\$100,000
Restriction satisfied on The Community Foundation grant		25,000
Restriction satisfied on Ball Brothers Foundation Marketing grant	\$20,000	
Restriction satisfied on Ball Brothers Foundation Fellowship grant		7,500
Restrictions satisfied on donor-imposed contributions	655	11,116
Restrictions satisfied on The Community Foundation's allocation (net)	7,938	3,863
	<u>\$28,593</u>	<u>\$147,479</u>

For the year ended June 30, 2012, the following assets were temporarily restricted for the purpose of satisfying grants payable to subrecipients. These restrictions had no effect on temporarily restricted net assets at June 30, 2012.

Accounts receivable \$100,810

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

NOTE H - 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, 2013 and 2012 amounted to \$32,010 and \$39,318, respectively.

NOTE I - INTEREST EXPENSE

Interest costs totaling \$629 and \$2,298 were incurred during the years ended June 30, 2013 and 2012, respectively. No interest costs were capitalized as part of the costs of assets acquired during the period.

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

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2013 and 2012

NOTE J - 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 8065.50 total volunteer hours received for the year ended June 30, 2013 has an estimated fair value of \$120,983. The 6,403.25 total volunteer hours received for the year ended June 30, 2012 has an estimated fair value of \$96,049.

NOTE K - 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 L - 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, 2013 and 2012.

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

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2013 and 2012

NOTE L - FAIR VALUE MEASUREMENTS - Continued

	Fair Value Measurements Using Significant Other Observable Inputs (Level 2)			
	2013	2012	Cost	Fair Value
Beneficial interest in investments held by others	<u>\$91,020</u>	<u>\$115,015</u>	<u>\$88,104</u>	<u>\$102,447</u>

NOTE M - 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 N- SUBSEQUENT EVENTS

The Organizations have evaluated subsequent events through December 3, 2013, 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, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support				
Public support				
Contributions				
United Way of Delaware County	\$ 163,743 74,197	\$ 19,939		\$ 183,682 74,197
	237,940	19,939		257,879
Revenue				
Child and Adult Care Food Program	22,234			22,234
Community Development Block Grant	14,658			14,658
Community Foundation Grant	35,000			35,000
Criminal Justice Grants	98,399			98,399
Criminal Justice SOS Grant	5,000			5,000
Criminal Justice Stop Grants	10,645			10,645
Division of Addiction Services	323,311			323,311
Domestic Violence Grant	55,600			55,600
Emergency Shelters Grant	46,049			46,049
Family Service Society	56,561			56,561
Family Violence Grant	46,199			46,199
Federal Emergency Management Agency Grant	7,650			7,650
Social Services Block Grant	32,318			32,318
21st Century Community Learning State Grant	414,659			414,659
US Dept. of Housing and Urban Development	141,824			141,824
Program service fees	14,645			14,645
Rental income	5,311			5,311
Investment income	119	2,709		2,828
Realized gain on investments		1,545		1,545
Unrealized gain on investments		9,652		9,652
Outsourced services	7,500			7,500
Miscellaneous	13,795			13,795
	1,351,477	13,906		1,365,383
Total support and revenue	\$ 1,589,417	\$ 33,845	\$ 0	\$ 1,623,262

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

COMBINED STATEMENT OF SUPPORT AND REVENUE

Year Ended June 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support				
Public support				
Contributions	\$ 187,332	\$ 20,655		\$ 207,987
United Way of Delaware County	56,114			56,114
	243,446	20,655		264,101
Revenue				
Ball Brothers Fellowship Program Grant	20,000			20,000
Child and Adult Care Food Program	17,667			17,667
Community Development Block Grant	12,750			12,750
Community Development SART Grant	6,390			6,390
Community Foundation Grant	30,000			30,000
Criminal Justice Grant	112,018			112,018
Criminal Justice SOS Grant	5,000			5,000
Criminal Justice Stop Grant	10,645			10,645
Division of Addiction Services	784,263			784,263
Domestic Violence Grant	57,397			57,397
Emergency Shelters Grant	42,243			42,243
Family Service Society	75,110			75,110
Family Violence Grant	57,361			57,361
FEMA Grant	10,000			10,000
Social Services Block Grant	21,434			21,434
21st Century Community Learning State Grant	408,765			408,765
US Dept. of Housing and Urban Development	145,370			145,370
Program service fees	56,670			56,670
Rental income	10,397			10,397
Investment income	1,887			1,887
Realized gain on investments	1,098			1,098
Unrealized loss on investments		(5,092)		(5,092)
Outsourced services	8,700			8,700
Miscellaneous	7,925			7,925
	1,903,090	(5,092)		1,897,998
Total support and revenue	\$ 2,146,536	\$ 15,563	\$ 0	\$ 2,162,099

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2013

Federal Grantor/Pass-through Grantor/Program	Federal CFDA Number	Grant Contract Number	Expenditure
Department of Health and Human Services			
Pass-through programs from:			
Indiana Criminal Justice Institute:			
Family Violence Prevention	93.671	D3-13-7695	\$ 50,291
Social Services Block Grants: Domestic Violence Shelter	93.667	D3-13-7504	32,318
Indiana Family & Social Services Administration:			
Division of Mental Health: Substance Abuse Prevention and Treatment (Note C)	93.959	18-10-2H-0656	456,601
Total Department of Health and Human Services			539,210
Department of Justice			
Pass-through programs from:			
Indiana Criminal Justice Institute:			
Crime Victim Assistance	16.575	2011-VA-GX-0039 2012-VA-GX-1703	102,332
STOP Violence Against Women	16.588	2012-WF-AX-0035	10,270
SOS	93.991	D3-13-7674	4,392
Total Department of Justice			116,994
Department of Homeland Security			
Pass-through programs from:			
United Way of Delaware County:			
Emergency Food and Shelter Program	97.024	N/A	7,650
Total Department of Homeland Security			7,650

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

Year Ended June 30, 2013

Federal Grantor/Pass-through Grantor/Program	Federal CFDA Number	Grant Contract Number	Expenditure
Department of Agriculture			
Pass-through program from:			
Indiana Department of Education:			
Child and Adult Care Food Program	10.558	N/A	22,234
Total Department of Agriculture			22,234
Department of Housing and Urban Development			
Supportive Housing Program	14.235	IN0043B5H021003	140,250
Pass-through program from:			
Indiana Housing Community Development Authority			
Emergency Shelter	14.231	ES-012-001	43,984
Muncie, Indiana Community Development Office:			
Community Development Block Grant: Domestic Violence Shelter and Services Program	14.218	N/A	14,658
Total Department of Housing and Urban Development			198,892
Department of Education			
Pass-through program from:			
Indiana Department of Education:			
21st Century Community Learning State Grant	84.287	A58-0-10DL-082	414,785
Total Department of Education			414,785
Total expenditures of federal awards			\$ 1,299,765

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

Year Ended June 30, 2013

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, 2013. 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	\$195,555

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2012

Federal Grantor/Pass-through Grantor/Program	Federal CFDA Number	Grant Contract Number	Expenditure
Department of Health and Human Services			
Pass-through programs from:			
Indiana Criminal Justice Institute:			
Family Violence Prevention	93.671	D3-10-4827	\$ 69,248
Social Services Block Grants: Domestic Violence Shelter	93.667	D3-12-6579	21,434
Indiana Family & Social Services Administration:			
Division of Mental Health: Substance Abuse Prevention and Treatment (Note C)	93.959	18-10-2H-0656	790,453
Total Department of Health and Human Services			881,135
Department of Justice			
Pass-through programs from:			
Indiana Criminal Justice Institute:			
Crime Victim Assistance	16.575	D3-12-6786	101,228
STOP Violence Against Women	16.588	D3-12-6683	10,645
SOS	93.991	D3-12-6153	5,000
Total Department of Justice			116,873
Department of Homeland Security			
Pass-through program from:			
United Way of Delaware County:			
Emergency Food and Shelter Program	97.024	N/A	10,000
Total Department of Homeland Security			10,000

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

Year Ended June 30, 2012

Federal Grantor/Pass-through Grantor/Program	Federal CFDA Number	Grant Contract Number	Expenditure
Department of Agriculture			
Pass-through program from:			
Indiana Department of Education:			
Child and Adult Care Food Program	10.558		17,667
Total Department of Agriculture			17,667
Department of Housing and Urban Development			
Supportive Housing Program	14.235	IN0043B5H021003	160,398
Pass-through program from:			
Indiana Housing Community Development Authority:			
Emergency Shelter	14.231	ES-010-001	41,296
Muncie, Indiana Community Development Office:			
Community Development Block Grant:			
Sexual Assault Response Team	14.218	N/A	10,000
Domestic Violence Shelter and Services Program	14.218	N/A	12,750
			22,750
Total Department of Housing and Urban Development			224,444
Department of Education			
Pass-through program from:			
Indiana Department of Education:			
21st Century Community Learning State Grant	84.287	A58-0-10DL-082	423,550
Total Department of Education			423,550
Total expenditures of federal awards			\$ 1,673,669

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

Year Ended June 30, 2012

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, 2012. 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	\$518,035

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

SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS

Year Ended June 30, 2013

State Grantor/Program	Grant Contract Number	State Expenditure
State of Indiana		
Pass-through programs from:		
Indiana Criminal Justice Institute:		
Domestic Violence Prevention and Treatment	12 DV-0002	\$ 59,535
Total Indiana Criminal Justice Institute		59,535
Total expenditures of state awards		\$ 59,535

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

SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS

Year Ended June 30, 2012

State Grantor/Program	Grant Contract Number	State Expenditure
State of Indiana		
Pass-through programs from:		
Indiana Criminal Justice Institute:		
Domestic Violence Prevention and Treatment	D3-12-6153	\$ 57,397
Total Indiana Criminal Justice Institute		57,397
Total expenditures of state awards		\$ 57,397

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2013

Summary of Auditors' Results

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 st 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.

Findings Relating to Financial Statements

None

Findings and Questioned Costs for Federal Awards

None

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2012

Summary of Auditors' Results

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 st 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.

Findings Relating to Financial Statements

None

Findings and Questioned Costs for Federal Awards

None

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

COMBINED STATEMENT OF FINANCIAL POSITION BY ENTITY

June 30, 2013

	A Better Way	Building Corporation	Eliminations	Combined
ASSETS				
CURRENT ASSETS				
Cash	\$ 185,260	\$ 51,392		\$ 236,652
Accounts receivable	66,728			66,728
Prepaid expenses	7,432			7,432
	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	259,420	51,392		310,812
PROPERTY, BUILDINGS AND EQUIPMENT				
Buildings and improvements	1,355,051	814,999		2,170,050
Equipment	189,633	14,575		204,208
	<hr/>	<hr/>	<hr/>	<hr/>
Less accumulated depreciation	1,544,684	829,574		2,374,258
	461,662	444,589		906,251
	<hr/>	<hr/>	<hr/>	<hr/>
Land	1,083,022	384,985		1,468,007
		47,500		47,500
	<hr/>	<hr/>	<hr/>	<hr/>
	1,083,022	432,485		1,515,507
OTHER ASSETS				
Beneficial interest in investments held by others	115,015			115,015
Note receivable, Building Corporation	91,012		\$ (91,012)	
	<hr/>	<hr/>	<hr/>	<hr/>
	206,027		(91,012)	115,015
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 1,548,469	\$ 483,877	\$ (91,012)	\$ 1,941,334
	<hr/>	<hr/>	<hr/>	<hr/>

	<u>A Better Way</u>	<u>Building Corporation</u>	<u>Eliminations</u>	<u>Combined</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Deposits	\$ 1,182			\$ 1,182
Accounts payable	1,963			1,963
Grants payable	7,935			7,935
Accrued and withheld liabilities	32,533			32,533
	<hr/>	<hr/>	<hr/>	<hr/>
Total current liabilities	43,613			43,613
LONG-TERM LIABILITIES				
Note payable, A Better Way	\$ 91,012	\$ (91,012)		
Contingent liabilities	950,000			950,000
	<hr/>	<hr/>	<hr/>	<hr/>
950,000	91,012	(91,012)		950,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	993,613	91,012	(91,012)	993,613
NET ASSETS				
Unrestricted	438,359	392,865		831,224
Temporarily restricted	31,592			31,592
Permanently restricted	84,905			84,905
	<hr/>	<hr/>	<hr/>	<hr/>
554,856	392,865			947,721
	<hr/>	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>	<hr/>
\$ 1,548,469	\$ 483,877	\$ (91,012)	\$ 1,941,334	
	<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, 2012

	A Better Way	Building Corporation	Eliminations	Combined
ASSETS				
CURRENT ASSETS				
Cash	\$ 82,691	\$ 73,624		\$ 156,315
Accounts receivable	227,071			227,071
Prepaid expenses	7,432			7,432
	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	317,194	73,624		390,818
PROPERTY, BUILDINGS AND EQUIPMENT				
Buildings and improvements	1,355,051	814,999		2,170,050
Equipment	182,897	14,636		197,533
	<hr/>	<hr/>	<hr/>	<hr/>
Less accumulated depreciation	1,537,948	829,635		2,367,583
	424,736	416,837		841,573
	<hr/>	<hr/>	<hr/>	<hr/>
Land	1,113,212	412,798		1,526,010
		47,500		47,500
	<hr/>	<hr/>	<hr/>	<hr/>
	1,113,212	460,298		1,573,510
OTHER ASSETS				
Beneficial interest in investments held by others	102,447			102,447
Note receivable, Building Corporation	92,012		\$ (92,012)	
	<hr/>	<hr/>	<hr/>	<hr/>
	194,459		(92,012)	102,447
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 1,624,865	\$ 533,922	\$ (92,012)	\$ 2,066,775

	A Better Way	Building Corporation	Eliminations	Combined
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Deposits	\$ 2,538			\$ 2,538
Accounts payable	2,883			2,883
Current maturities of long-term liabilities		\$ 25,833		25,833
Grants payable	108,745			108,745
Accrued and withheld liabilities	42,401			42,401
	—	—	—	—
Total current liabilities	156,567	25,833		182,400
LONG-TERM LIABILITIES				
Note payable, A Better Way		92,012	\$ (92,012)	
Contingent liabilities	950,000			950,000
	950,000	92,012	(92,012)	950,000
	—	—	—	—
Total liabilities	1,106,567	117,845	(92,012)	1,132,400
NET ASSETS				
Unrestricted	407,053	416,077		823,130
Temporarily restricted	26,340			26,340
Permanently restricted	84,905			84,905
	—	—	—	—
	518,298	416,077		934,375
	—	—	—	—
	\$ 1,624,865	\$ 533,922	\$ (92,012)	\$ 2,066,775
	—	—	—	—

**A Better Way Services, Inc.
Family Services of Delaware County Building Corporation
COMBINED STATEMENT OF ACTIVITIES BY ENTITY**

Year Ended June 30, 2013

A Better Way			
	Unrestricted	Temporarily Restricted	Permanently Restricted
Support and revenue			
Public support	\$ 237,940	\$ 19,939	
Revenue	1,351,402	13,906	
	<hr/>	<hr/>	<hr/>
Total support and revenue	1,589,342	33,845	
Net assets released from restrictions			
Expiration of time/usage restrictions	28,593	(28,593)	
	<hr/>	<hr/>	<hr/>
	1,617,935	5,252	
Expenses			
Program services			
A Better Way Shelter	1,119,038		
Afternoons R.O.C.K.	303,282		
	<hr/>	<hr/>	<hr/>
	1,422,320		
Supporting services			
Management and General	164,311		
	<hr/>	<hr/>	<hr/>
Total expenses	1,586,631		
	<hr/>	<hr/>	<hr/>
INCREASE (DECREASE) IN NET ASSETS	31,304	5,252	
Net assets at beginning of year	407,053	26,340	\$ 84,905
	<hr/>	<hr/>	<hr/>
Net assets at end of year	\$ 438,357	\$ 31,592	\$ 84,905
	<hr/>	<hr/>	<hr/>

Building Corporation

Unrestricted	Temporarily Restricted	Eliminations	Combined
\$ 8,846		\$ (8,771)	\$ 257,879 1,365,383
8,846		(8,771)	1,623,262
8,846		(8,771)	1,623,262
		(6,000)	1,113,038
		(2,771)	300,511
		(8,771)	1,413,549
32,056			196,367
32,056		(8,771)	1,609,916
(23,210)			13,346
416,077			934,375
\$ 392,867	\$ 0	\$ 0	\$ 947,721

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

COMBINED STATEMENT OF ACTIVITIES BY ENTITY

Year Ended June 30, 2012

	A Better Way		
	Unrestricted	Temporarily Restricted	Permanently Restricted
Support and revenue			
Public support	\$ 243,446	\$ 20,655	
Revenue	1,894,264	(5,092)	
	<hr/>	<hr/>	<hr/>
Total support and revenue	2,137,710	15,563	
Net assets released from restrictions			
Expiration of time/usage restrictions	147,479	(147,479)	
	<hr/>	<hr/>	<hr/>
	2,285,189	(131,916)	
Expenses			
Program services			
A Better Way Shelter	1,264,549		
Afternoons R.O.C.K.	812,160		
	<hr/>	<hr/>	<hr/>
	2,076,709		
Supporting services			
Management and General	191,705		
	<hr/>	<hr/>	<hr/>
Total expenses	2,268,414		
	<hr/>	<hr/>	<hr/>
INCREASE (DECREASE) IN NET ASSETS	16,775	(131,916)	
Net assets at beginning of year	390,278	158,256	\$ 84,905
	<hr/>	<hr/>	<hr/>
Net assets at end of year	\$ 407,053	\$ 26,340	\$ 84,905
	<hr/>	<hr/>	<hr/>

Building Corporation

Unrestricted	Temporarily Restricted	Eliminations	Combined
\$ 23,284		\$ (14,458)	\$ 264,101 1,897,998
23,284		(14,458)	2,162,099
23,284		(14,458)	2,162,099
		(6,000)	1,258,549
		(6,018)	806,142
		(12,018)	2,064,691
33,731		(2,440)	222,996
33,731		(14,458)	2,287,687
(10,447)			(125,588)
426,524			1,059,963
\$ 416,077	\$ 0	\$ 0	\$ 934,375

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

COMBINED STATEMENT OF CASH FLOW BY ENTITY

Year Ended June 30, 2013

	A Better Way	Building Corporation	Eliminations	Combined
Cash flow from operating activities:				
Increase (Decrease) in net assets	\$ 36,556	\$ (23,210)		\$ 13,346
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation	50,725	27,813		78,538
Donated assets	(1,384)			(1,384)
Realized gain on investments	(1,545)			(1,545)
Unrealized gain on investments	(9,652)			(9,652)
(Increase) decrease in assets:				
Accounts receivable	160,343			160,343
Increase (decrease) in liabilities:				
Deposits	(1,356)			(1,356)
Accounts payable	(920)			(920)
Grants payable	(100,810)			(100,810)
Accrued and withheld liabilities	(9,868)			(9,868)
Net cash provided by operating activities	121,589	4,603		126,192
Cash flow from investing activities:				
Cash payments for the purchase of property	(18,651)			(18,651)
Net change in investments	(1,371)			(1,371)
Net cash used in investing activities	(20,022)			(20,022)
Cash flow from financing activities:				
Principal payments on long-term liabilities		(26,835)	\$ 1,002	(25,833)
Receipt on note receivable	1,002		(1,002)	
Net cash provided by (used in) financing activities	1,002	(26,835)		(25,833)
Net increase (decrease) in cash and cash equivalents	102,569	(22,232)		80,337
Cash and cash equivalents at beginning of year	82,691	73,624		156,315
Cash and cash equivalents at end of year	<u>\$ 185,260</u>	<u>\$ 51,392</u>	<u>\$ 0</u>	<u>\$ 236,652</u>

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

COMBINED STATEMENT OF CASH FLOW BY ENTITY - CONTINUED

Year Ended June 30, 2013

	A Better Way	Building Corporation	Eliminations	Combined
Supplemental information:				
Cash paid during the year for interest	\$ 0	\$ 629	\$ 0	\$ 629

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

COMBINED STATEMENT OF CASH FLOW BY ENTITY

Year Ended June 30, 2012

	A Better Way	Building Corporation	Eliminations	Combined
Cash flow from operating activities:				
Decrease in net assets	\$ (115,141)	\$ (10,447)		\$ (125,588)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Depreciation	49,902	27,689		77,591
Realized gain on investments	(1,098)			(1,098)
Unrealized loss on investments	5,092			5,092
(Increase) decrease in assets:				
Unconditional promises to give	132,500			132,500
Accounts receivable	(4,419)			(4,419)
Increase (decrease) in liabilities:				
Deposits	560			560
Accounts payable	(1,893)			(1,893)
Grants payable	(38,670)			(38,670)
Accrued and withheld liabilities	(28,556)			(28,556)
Net cash provided by (used in) operating activities	<hr/> (1,723)	<hr/> 17,242	<hr/> 15,519	
Cash flow from investing activities:				
Cash payments for the purchase of property		(2,850)		(2,850)
Net change in investments	<hr/> 55,987	<hr/> 55,987		55,987
Net cash provided by (used in) investing activities	<hr/> 55,987	<hr/> (2,850)		53,137
Cash flow from financing activities:				
Principal payments on long-term liabilities		(12,016)	\$ 3,232	(8,784)
Receipt on note receivable	<hr/> 3,232	<hr/> (3,232)		<hr/> (8,784)
Net cash provided by (used in) financing activities	<hr/> 3,232	<hr/> (12,016)		<hr/> (8,784)
Net increase in cash and cash equivalents	57,496	2,376		59,872
Cash and cash equivalents at beginning of year	<hr/> 25,195	<hr/> 71,248		96,443
Cash and cash equivalents at end of year	<hr/> \$ 82,691	<hr/> \$ 73,624	<hr/> \$ 0	<hr/> \$ 156,315

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

COMBINED STATEMENT OF CASH FLOW BY ENTITY - CONTINUED

Year Ended June 30, 2012

	A Better Way	Building Corporation	Eliminations	Combined
Supplemental information:				
Cash paid during the year for interest	\$ 0	\$ 2,298	\$ 0	\$ 2,298

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

COMBINED STATEMENT OF FUNCTIONAL EXPENSES BY ENTITY

Year Ended June 30, 2013

	A Better Way			
	A Better Way Shelter	Afternoons R.O.C.K.	Total Program Services	Management and General
Salaries	\$ 559,146	\$ 58,899	\$ 618,045	\$ 93,254
Employee benefits	179,703	20,090	199,793	14,658
Payroll taxes	42,166	5,010	47,176	5,947
Professional fees	71,779	7,535	79,314	5,170
Supplies	34,315	842	35,157	1,608
Telephone	8,162	3,310	11,472	1,295
Postage	266	205	471	1,015
Occupancy	50,691	3,999	54,690	
Equipment rental and maintenance	12,267	156	12,423	1,043
Conferences and training workshops	5,026	75	5,101	75
Interest				
Employee allowance	1,660	1,038	2,698	109
Membership dues	1,825		1,825	157
Grants		195,555	195,555	
Insurance	26,703	870	27,573	6,484
Fund raising				13,403
Program materials	43,095	5,538	48,633	440
Program transportation	43,328		43,328	
Miscellaneous	6,442	160	6,602	1,392
 Total expenses before depreciation	 1,086,574	 303,282	 1,389,856	 146,050
Depreciation	32,464		32,464	18,261
 Total expenses	 \$ 1,119,038	 \$ 303,282	 \$ 1,422,320	 \$ 164,311

**Building
Corporation**

Management and General	Eliminations	Combined
		\$ 711,299
		214,451
		53,123
		84,484
		36,765
		12,767
		1,486
\$ 2,192	\$ (8,771)	48,111
311		13,777
		5,176
629		629
		2,807
		1,982
		195,555
		34,057
		13,403
		49,073
		43,328
1,111		9,105
4,243	(8,771)	1,531,378
27,813		78,538
\$ 32,056	\$ (8,771)	\$ 1,609,916

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

COMBINED STATEMENT OF FUNCTIONAL EXPENSES BY ENTITY

Year Ended June 30, 2012

	A Better Way			
	A Better Way Shelter	Afternoons R.O.C.K.	Total Program Services	Management and General
Salaries	\$ 575,071	\$ 127,431	\$ 702,502	\$ 102,729
Employee benefits	284,659	96,597	381,256	26,067
Payroll taxes	85,153	9,801	94,954	6,466
Professional fees	89,447	10,200	99,647	6,842
Supplies	26,410	566	26,976	1,255
Telephone	9,781	3,298	13,079	1,940
Postage	420	183	603	712
Occupancy	57,889	7,553	65,442	3,483
Equipment rental and maintenance	13,606	641	14,247	693
Conferences and training workshops	2,583	1,342	3,925	85
Interest				
Employee allowance	2,757	3,396	6,153	129
Membership dues	2,911	20	2,931	257
Grants		528,750	528,750	
Insurance	21,692	2,833	24,525	4,978
Fund raising				16,735
Program materials	20,840	18,237	39,077	1,000
Program transportation	37,568	1,152	38,720	
Miscellaneous	1,825	160	1,985	369
 Total expenses before depreciation	 1,232,612	 812,160	 2,044,772	 173,740
Depreciation	31,937		31,937	17,965
 Total expenses	 \$ 1,264,549	 \$ 812,160	 \$ 2,076,709	 \$ 191,705

**Building
Corporation**

Management and General	Eliminations	Combined
		\$ 805,231
		407,323
		101,420
		106,489
		28,231
		15,019
		1,315
\$ 202	\$ (14,458)	54,669
1,950		16,390
		4,010
2,298		2,298
		6,282
		3,188
		528,750
		29,503
		16,735
		40,077
		38,720
1,592		3,946
6,042	(14,458)	2,210,096
27,689		77,591
\$ 33,731	\$ (14,458)	\$ 2,287,687

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

COMBINED STATEMENT OF SUPPORT AND REVENUE BY ENTITY

Year Ended June 30, 2013

	A Better Way		
	Unrestricted	Temporarily Restricted	Permanently Restricted
Support			
Public support			
Contributions	\$ 163,743	\$ 19,939	
United Way of Delaware County	74,197		
	<hr/> 237,940	<hr/> 19,939	<hr/>
Revenue			
Child and Adult Care Food Program	22,234		
Community Development Block Grant	14,658		
Community Foundation Grant	35,000		
Criminal Justice Grants	98,399		
Criminal Justice SOS Grant	5,000		
Criminal Justice Stop Grants	10,645		
Division of Addiction Services	323,311		
Domestic Violence Grant	55,600		
Emergency Shelters Grant	46,049		
Family Service Society	56,561		
Family Violence Grant	46,199		
Federal Emergency Management Agency Grant	7,650		
Social Services Block Grant	32,318		
21st Century Community Learning State Grant	414,659		
US Dept. of Housing and Urban Development	141,824		
Program service fees	14,645		
Rental income	5,271		
Investment income	84	2,709	
Realized gain on investments		1,545	
Unrealized gain on investments		9,652	
Outsourced services	7,500		
Miscellaneous	13,795		
	<hr/> 1,351,402	<hr/> 13,906	<hr/>
Total support and revenue	\$ 1,589,342	\$ 33,845	\$ 0

Building
Corporation

Unrestricted	Temporarily Restricted	Eliminations	Combined
		\$ 183,682	
		74,197	
		257,879	
		22,234	
		14,658	
		35,000	
		98,399	
		5,000	
		10,645	
		323,311	
		55,600	
		46,049	
		56,561	
		46,199	
		7,650	
		32,318	
		414,659	
		141,824	
		14,645	
\$ 8,811	\$ (8,771)	5,311	
35		2,828	
		1,545	
		9,652	
		7,500	
		13,795	
8,846	(8,771)	1,365,383	
\$ 8,846	\$ 0	\$ (8,771)	\$ 1,623,262

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

COMBINED STATEMENT OF SUPPORT AND REVENUE BY ENTITY

Year Ended June 30, 2012

	A Better Way		
	Unrestricted	Temporarily Restricted	Permanently Restricted
Support			
Public support			
Contributions	\$ 187,332	\$ 20,655	
United Way of Delaware County	56,114		
	<hr/> 243,446	<hr/> 20,655	<hr/>
Revenue			
Ball Brothers Fellowship Program Grant	20,000		
Child and Adult Care Food Program	17,667		
Community Development Block Grant	12,750		
Community Development SART Grant	6,390		
Community Foundation Grant	30,000		
Criminal Justice Grants	112,018		
Criminal Justice SOS Grant	5,000		
Criminal Justice Stop Grants	10,645		
Division of Addiction Services	784,263		
Domestic Violence Grant	57,397		
Emergency Shelters Grant	42,243		
Family Service Society	75,110		
Family Violence Grant	57,361		
Federal Emergency Management Agency Grant	10,000		
Social Services Block Grant	21,434		
21st Century Community Learning State Grant	408,765		
US Dept. of Housing and Urban Development	145,370		
Program service fees	56,670		
Rental income	1,597		
Investment income	1,861		
Realized gain on investments	1,098		
Unrealized loss on investments		(5,092)	
Outsourced services	8,700		
Miscellaneous	7,925		
	<hr/> 1,894,264	<hr/> (5,092)	<hr/>
Total support and revenue	\$ 2,137,710	\$ 15,563	\$ 0

Building
Corporation

Unrestricted	Temporarily Restricted	Eliminations	Combined
		\$ 207,987	
		56,114	
		264,101	
			20,000
			17,667
			12,750
			6,390
			30,000
			112,018
			5,000
			10,645
			784,263
			57,397
			42,243
			75,110
			57,361
			10,000
			21,434
			408,765
			145,370
			56,670
\$ 23,258		\$ (14,458)	10,397
26			1,887
			1,098
			(5,092)
			8,700
			7,925
<u>23,284</u>		<u>(14,458)</u>	<u>1,897,998</u>
<u>\$ 23,284</u>	<u>\$ 0</u>	<u>\$ (14,458)</u>	<u>\$ 2,162,099</u>

SPECIAL REPORTS



Summers, Carroll, Whisler LLC

Certified Public Accountants

INDEPENDENT AUDITORS' 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, 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 A Better Way Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, cash flow, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 3, 2013.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Summers, Carroll, Whisler & Co.

Muncie, Indiana
December 3, 2013



Summers, Carroll, Whisler LLC

Certified Public Accountants

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

Board of Directors
A Better Way Services, Inc.

Report on Compliance for Each Major Federal Program

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 year ended June 30 2013. 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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of A Better Way Services, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of A Better Way Services, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, A Better Way Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control over Compliance

Management of A Better Way Services, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered A Better Way Services, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and to 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, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of 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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Summers, Carroll, Whisler & Co

Muncie, Indiana
December 3, 2013

