



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513

Fax: (317) 232-4711

Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

September 6, 2023

Board of Directors  
Prevail, Inc. of Hamilton County  
1100 S. 9<sup>th</sup> Street, Suite 100  
Noblesville, IN 46060

We have reviewed the audit report of Prevail, Inc. of Hamilton County, which was opined upon by Donovan CPAs, Independent Public Accountants, for the period July 1, 2021 to June 30, 2022. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Prevail, Inc. of Hamilton County as of June 30, 2022 and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the finding in the report on page 31. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears on page 32.

In our opinion, Donovan CPAs prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA  
Deputy State Examiner

**PREVAIL, INC. OF HAMILTON COUNTY AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS**

Together with Independent Auditors' Report

For the Years Ended June 30, 2022 and 2021



## TABLE OF CONTENTS

	Page
<b>INDEPENDENT AUDITORS' REPORT</b> .....	1 - 3
<b>FINANCIAL STATEMENTS</b>	
Consolidated Statements of Financial Position .....	4
Consolidated Statements of Activities and Change in Net Assets .....	5
Consolidated Statements of Functional Expenses .....	6
Consolidated Statements of Cash Flows .....	7
Notes to the Consolidated Financial Statements .....	8 - 16
<b>SUPPLEMENTARY INFORMATION</b>	
Consolidating Schedules of Financial Position .....	17 - 18
Consolidating Schedules of Activities and Change in Net Assets .....	19 - 20
Graphical and Summarized Data.....	21 - 22
Consolidated Schedule of Expenditures of Federal Awards .....	23
Notes to the Consolidated Schedule of Expenditures of Federal Awards.....	24
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS</b> .....	25 - 26
<b>INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE <i>UNIFORM GUIDANCE</i></b> .....	27 - 29
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b> .....	30 - 31
<b>CORRECTIVE ACTION PLAN</b> .....	32



# Donovan CPAs

## *Independent Auditors' Report*

The Board of Directors  
Prevail, Inc. of Hamilton County

### **Opinion**

We have audited the accompanying consolidated financial statements of Prevail, Inc. of Hamilton County and Affiliate, which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Prevail, Inc. of Hamilton County and Affiliate as of June 30, 2022 and 2021 and the consolidated changes in its net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Prevail, Inc. of Hamilton County and Affiliate and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Prevail, Inc. of Hamilton County and Affiliate's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

---

[www.cpadonovan.com](http://www.cpadonovan.com)

Avon | 5151 E. US Hwy 36, Avon, IN 46123 | 317.745.6411

Indianapolis | 9292 N. Meridian Street, Suite 150, Indianapolis, IN 46260 | 317.844.8300

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Prevail, Inc. of Hamilton County and Affiliate's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Prevail, Inc. of Hamilton County and Affiliate's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated schedule of expenditures of federal awards and notes thereto, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for the purpose of additional analysis and are not a required part of the consolidated financial statements. Likewise, the consolidating schedules and graphical and summarized data on pages 17 through 22 are presented for the purpose of additional analysis and are not a required part of the consolidated 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 consolidated financial statements.

The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated 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 April 20, 2023 on our consideration of Prevail, Inc. of Hamilton County and Affiliate'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 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* in considering Prevail, Inc. of Hamilton County and Affiliate's internal control over financial reporting and compliance.

DONOVAN

A handwritten signature in dark ink that reads "DONOVAN". The letters are cursive and slightly slanted to the right.

Indianapolis, Indiana  
April 20, 2023

**PREVAIL, INC. OF HAMILTON COUNTY AND AFFILIATE**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 267,297	\$ 199,960
Grants receivable	372,454	289,978
Investments in reserve fund	149,653	258,408
Prepaid expenses and other assets	48,138	27,826
<i>Total current assets</i>	<u>837,542</u>	<u>776,172</u>
<b>PROPERTY AND EQUIPMENT</b>		
Leasehold improvements	38,635	38,635
Equipment	193,517	186,998
Furniture and fixtures	26,527	18,527
Less: accumulated depreciation	(182,835)	(156,645)
<i>Property and equipment, net</i>	<u>75,844</u>	<u>87,515</u>
<b>LONG-TERM INVESTMENTS</b>		
Central Indiana Community Foundation endowment	96,986	94,989
Prevail Foundation endowment	2,441,225	3,175,137
<i>Total long-term investments</i>	<u>2,538,211</u>	<u>3,270,126</u>
<b>TOTAL ASSETS</b>	<u>\$ 3,451,597</u>	<u>\$ 4,133,813</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 49,859	\$ 48,667
Deferred income	13,105	38,539
<i>Total current liabilities</i>	<u>62,964</u>	<u>87,206</u>
<b>NET ASSETS</b>		
Without donor restrictions:		
Board-designated	2,441,225	3,175,137
Undesignated	660,464	613,737
With donor restrictions	286,944	257,733
<i>Total net assets</i>	<u>3,388,633</u>	<u>4,046,607</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 3,451,597</u>	<u>\$ 4,133,813</u>

See independent auditors' report and accompanying notes to the consolidated financial statements

**PREVAIL, INC. OF HAMILTON COUNTY AND AFFILIATE**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS**  
**For the Years Ended June 30, 2022 and 2021**

	<u>2022</u>			<u>2021</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>						
Grants - Government	\$ 901,905	\$ -	\$ 901,905	\$ 764,701	\$ -	\$ 764,701
Grants - Foundation	70,098	57,611	127,709	143,425	86,500	229,925
Contract service revenue	106,800	90,000	196,800	111,900	90,000	201,900
Contributions	232,303	-	232,303	220,363	-	220,363
Special events income, net of expenses	327,875	-	327,875	117,773	-	117,773
Interest and dividends	137,057	-	137,057	63,627	-	63,627
Net assets released from restrictions	120,397	(120,397)	-	255,489	(255,489)	-
<i>Total revenue and support</i>	<u>1,896,435</u>	<u>27,214</u>	<u>1,923,649</u>	<u>1,677,278</u>	<u>(78,989)</u>	<u>1,598,289</u>
<b>EXPENSES</b>						
Program services	1,660,947	-	1,660,947	1,434,943	-	1,434,943
Management and general	169,618	-	169,618	142,135	-	142,135
Fundraising and public relations	100,408	-	100,408	100,622	-	100,622
<i>Total expenses</i>	<u>1,930,973</u>	<u>-</u>	<u>1,930,973</u>	<u>1,677,700</u>	<u>-</u>	<u>1,677,700</u>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<u>(34,538)</u>	<u>27,214</u>	<u>(7,324)</u>	<u>(422)</u>	<u>(78,989)</u>	<u>(79,411)</u>
<b>OTHER INCOME (LOSS)</b>						
Paycheck Protection Program loan forgiveness income	-	-	-	262,500	-	262,500
Gain (loss) on investments	(652,647)	1,997	(650,650)	736,356	26,329	762,685
<i>Total other income (loss)</i>	<u>(652,647)</u>	<u>1,997</u>	<u>(650,650)</u>	<u>998,856</u>	<u>26,329</u>	<u>1,025,185</u>
<b>CHANGE IN NET ASSETS</b>	(687,185)	29,211	(657,974)	998,434	(52,660)	945,774
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>3,788,874</u>	<u>257,733</u>	<u>4,046,607</u>	<u>2,790,440</u>	<u>310,393</u>	<u>3,100,833</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 3,101,689</u>	<u>\$ 286,944</u>	<u>\$ 3,388,633</u>	<u>\$ 3,788,874</u>	<u>\$ 257,733</u>	<u>\$ 4,046,607</u>

See independent auditors' report and accompanying notes to the consolidated financial statements

**PREVAIL, INC. OF HAMILTON COUNTY AND AFFILIATE**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Years Ended June 30, 2022 and 2021**

	<u>2022</u>				<u>2021</u>			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising and Public Relations</u>	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising and Public Relations</u>	<u>Total</u>
Salaries and benefits	\$ 1,139,689	\$ 114,289	\$ 74,011	\$ 1,327,989	\$ 1,104,287	\$ 92,875	\$ 70,929	\$ 1,268,091
Operating expense and supplies	237,369	4,259	1,895	243,523	155,490	5,786	4,633	165,909
Professional services	101,497	33,703	2,582	137,782	20,311	25,862	350	46,523
Facility rent	74,912	7,650	4,042	86,604	71,881	8,660	6,063	86,604
Training and registration	23,926	1,751	672	26,349	14,569	662	463	15,694
Depreciation	21,738	2,619	1,833	26,190	15,360	1,852	1,296	18,508
Legal and accounting	21,027	1,942	781	23,750	17,256	2,271	1,271	20,798
Insurance	20,297	1,824	685	22,806	15,862	1,911	1,337	19,110
Telephone	14,892	1,413	1,279	17,584	14,585	2,117	1,867	18,569
Fundraising/public awareness	890	27	10,787	11,704	2,361	13	12,120	14,494
Membership and dues	2,369	131	39	2,539	1,361	123	65	1,549
Travel	2,341	10	53	2,404	1,620	3	2	1,625
Recognition	-	-	1,749	1,749	-	-	226	226
	<u>1,660,947</u>	<u>169,618</u>	<u>100,408</u>	<u>1,930,973</u>	<u>1,434,943</u>	<u>142,135</u>	<u>100,622</u>	<u>1,677,700</u>
Fundraising expenses netted with revenue on consolidated statements of activities and change in net assets	<u>-</u>	<u>-</u>	<u>103,292</u>	<u>103,292</u>	<u>-</u>	<u>-</u>	<u>2,282</u>	<u>2,282</u>
<i>Total functional expenses</i>	<u><u>\$ 1,660,947</u></u>	<u><u>\$ 169,618</u></u>	<u><u>\$ 203,700</u></u>	<u><u>\$ 2,034,265</u></u>	<u><u>\$ 1,434,943</u></u>	<u><u>\$ 142,135</u></u>	<u><u>\$ 102,904</u></u>	<u><u>\$ 1,679,982</u></u>

See independent auditors' report and accompanying notes to the consolidated financial statements

**PREVAIL, INC. OF HAMILTON COUNTY AND AFFILIATE**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ (657,974)	\$ 945,774
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Paycheck Protection Program loan forgiveness income	-	(262,500)
Depreciation	26,190	18,508
(Gain) loss on investments	650,650	(762,685)
Changes in certain assets and liabilities:		
Grants receivable	(82,476)	(44,361)
Prepaid expenses and other assets	(20,312)	(6,078)
Accounts payable and accrued expenses	1,192	(17,105)
Deferred income	<u>(25,434)</u>	<u>16,809</u>
 <i>Net cash used in operating activities</i>	 <u>(108,164)</u>	 <u>(111,638)</u>
<b>INVESTING ACTIVITIES</b>		
Purchases of investments	(132,709)	(700,898)
Sales of investments	322,729	543,346
Purchases of property and equipment	<u>(14,519)</u>	<u>(69,789)</u>
 <i>Net cash provided by (used in) investing activities</i>	 <u>175,501</u>	 <u>(227,341)</u>
<b>NET CHANGE IN CASH</b>	 67,337	 (338,979)
<b>CASH, BEGINNING OF YEAR</b>	 <u>199,960</u>	 <u>538,939</u>
<b>CASH, END OF YEAR</b>	 <u>\$ 267,297</u>	 <u>\$ 199,960</u>

See independent auditors' report and accompanying notes to the consolidated financial statements

**PREVAIL, INC. OF HAMILTON COUNTY AND AFFILIATE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended June 30, 2022 and 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

General – Prevail, Inc. of Hamilton County is an Indiana not-for-profit corporation serving victims of crime and abuse in Hamilton County, Indiana in a confidential, supportive, non-judgmental environment. Its mission is to educate and engage the community to prevent crime and abuse while helping restore the lives of those who have been affected. Prevail, Inc. of Hamilton County maintains a controlling interest in Prevail Foundation, Inc., which is organized exclusively for the benefit of, to perform the functions of, and to carry out the purposes of Prevail Inc. of Hamilton County.

Principles of Consolidation – The accompanying consolidated financial statements include the accounts of Prevail, Inc. of Hamilton County and its affiliate, Prevail Foundation, Inc., collectively referred to as “Prevail”. All significant intercompany transactions and balances have been eliminated in consolidation.

Consolidated Financial Statement Presentation – Prevail reports its consolidated financial position and activities according to two classes of net assets:

- Net assets without donor restrictions, which include unrestricted resources available for the operating objectives of Prevail; and
- Net assets with donor restrictions, which represent resources restricted by donors for specific time or purpose.

Basis of Accounting and Use of Estimates – The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Contributed Services – Prevail receives donated services in carrying out its exempt function. No amounts have been reflected in the consolidated financial statements for these services since they do not meet the criteria for recognition under U.S. GAAP.

Cash and Cash Equivalents – Cash and cash equivalents consist of cash held in bank accounts and short-term, highly liquid investments with original maturities of three months or less.

Investments – Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the consolidated statements of financial position. Unrealized gains and losses are included in the consolidated statements of activities and change in net assets.

Property and Equipment – Acquisitions of property and equipment in excess of \$500 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of the donation. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives are as follows:

Leasehold improvements	7 years
Equipment	3 to 10 years
Furniture and fixtures	7 years

**PREVAIL, INC. OF HAMILTON COUNTY AND AFFILIATE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended June 30, 2022 and 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

Taxes on Income – Prevail, Inc. of Hamilton County and Prevail Foundation, Inc. received determinations from the U.S. Treasury Department stating they qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code as tax-exempt organizations; however, these organizations would be subject to tax on income unrelated to their tax-exempt purposes. For the years ended June 30, 2022 and 2021, no accounting for federal and state income taxes was required to be included in the accompanying consolidated financial statements.

Professional accounting standards require Prevail to recognize a tax liability only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax liability greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax liability is recorded. Prevail examined this issue and determined there are no material contingent tax liabilities or questionable tax positions. Tax years ended after June 30, 2018 are open to audit for both federal and state purposes.

Subsequent Events – Prevail evaluated subsequent events through April 20, 2023, the date these consolidated financial statements were available to be issued. Events occurring through that date have been evaluated to determine whether a change in the consolidated financial statements or related disclosures would be required.

**NOTE 2 - REVENUE RECOGNITION**

Exchange revenue and support transactions include grants, contract service revenue, and special events income.

Grants – A significant portion of Prevail's revenue is derived from cost-reimbursable federal, state, and foundation contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when Prevail has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position. Incurring approved costs under each grant is considered satisfaction of the performance obligations.

Contract Service Revenue and Special Events Income – Conducting the planned event is considered satisfaction of the performance obligation. Special events revenues are recorded at the time of admission to the event.

Non-exchange revenue and support transactions include contributions regardless of donor restrictions.

Contributions – Prevail recognizes contributions when cash, securities, unconditional promises to give, notification of beneficial interests, or other assets are received. Conditional promises to give with a measurable performance or other barrier and a right of return are not recognized until the conditions on which they depend have been met.

**PREVAIL, INC. OF HAMILTON COUNTY AND AFFILIATE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended June 30, 2022 and 2021**

**NOTE 2 - REVENUE RECOGNITION, Continued**

Disaggregation of Revenue – Revenue is disaggregated by category on the consolidated statements of activities and change in net assets.

**NOTE 3 - GRANTS RECEIVABLE**

Grants receivable are primarily related to grant reimbursements due from state and local governmental agencies. Prevail believes all claims are within the terms of the grant agreements. As such, no allowance for doubtful accounts is deemed necessary.

**NOTE 4 - INVESTMENTS IN RESERVE FUND**

Prevail holds certain funds in short-term investment accounts for the purpose of creating a reserve fund. These funds are not donor restricted nor Board-designated, and consist of cash and cash equivalents, mutual funds, and stocks.

**NOTE 5 - FAIR VALUE MEASUREMENTS**

The framework for measuring fair value provides a fair value hierarchy prioritizing 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) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets Prevail has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices observable for the asset or liability;
- Inputs derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair measurement level within the fair value hierarchy is based on the lowest level of any input significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

**PREVAIL, INC. OF HAMILTON COUNTY AND AFFILIATE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended June 30, 2022 and 2021**

**NOTE 5 - FAIR VALUE MEASUREMENTS, Continued**

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2022 and 2021.

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by Prevail are open-end mutual funds that are registered with the SEC. The mutual funds held by Prevail are deemed to be actively traded (Level 1 inputs).

*Stocks:* Valued at the daily closing price as reported on actively-traded markets. Stocks held by Prevail are deemed to be actively traded (Level 1 inputs).

*Central Indiana Community Foundation (“CICF”) pooled account:* CICF’s endowment pool consists of investments in domestic and international equity, fixed income securities, and alternative investments. In some situations, a readily determinable fair value for CICF’s investment holdings is not available. The estimated fair values of such investments are based on valuations provided by CICF’s investment managers adjusted for cash receipts, disbursements, and significant known valuation changes in market values of publicly held securities held in the portfolio. As a practical expedient, fair value of Prevail’s investment in CICF’s endowment pool is determined using the net asset value provided by CICF.

The following tables set forth Prevail’s assets at fair value by level within the fair value hierarchy.

	Fair Value	Fair Value Measurements Using:			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Assets Measured at NAV <sup>(A)</sup>
<b>June 30, 2022</b>					
Cash investments	\$ 171,614	\$ 171,614	\$ -	\$ -	\$ -
Mutual funds	1,494,109	1,494,109	-	-	-
Stocks	925,155	925,155	-	-	-
CICF pooled account	<u>96,986</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,986</u>
<i>Total</i>	<u>\$ 2,687,864</u>	<u>\$ 2,590,878</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,986</u>
<b>June 30, 2021</b>					
Cash investments	\$ 211,813	\$ 211,813	\$ -	\$ -	\$ -
Mutual funds	2,254,203	2,254,203	-	-	-
Stocks	967,529	967,529	-	-	-
CICF pooled account	<u>94,989</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,989</u>
<i>Total</i>	<u>\$ 3,528,534</u>	<u>\$ 3,433,545</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,989</u>

**PREVAIL, INC. OF HAMILTON COUNTY AND AFFILIATE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended June 30, 2022 and 2021**

**NOTE 6 - RESTRICTIONS ON NET ASSETS**

In accordance with U.S. GAAP, Prevail has only recognized its beneficial interest in assets held by the Legacy Fund of CICF. Contributions made to CICF on Prevail's behalf are restricted endowment funds that cannot be accessed by Prevail.

CICF invests these restricted contributions in a pooled account. Distributions from the fund are available to support the general operations of Prevail. Undistributed earnings are classified as with donor restrictions until they have been appropriated for expenditure. Distributions of \$8,246 were made to Prevail during the year ended June 30, 2021. No distributions from this fund were made during the year ended June 30, 2022.

Net assets with donor restrictions were available for the following periods or purposes as of June 30:

	<u>2022</u>	<u>2021</u>
CICF pooled account - permanent	\$ 71,185	\$ 71,185
Undistributed CICF earnings	25,801	23,804
Time restricted: 2022 - 2023 operations	90,000	-
Time restricted: 2021 - 2022 operations	-	90,000
Healthcare initiatives	10,000	-
Youth services	74,492	60,061
Other purpose restrictions	<u>15,466</u>	<u>12,683</u>
	<u>\$ 286,944</u>	<u>\$ 257,733</u>

Net assets were released from donor restrictions by the passage of time or by incurring expenses satisfying a purpose restriction. The following time and purpose restrictions were accomplished during the years ended June 30:

	<u>2022</u>	<u>2021</u>
CICF earnings appropriated for expenditure	\$ -	\$ 8,246
Expiration of time restrictions	90,000	90,000
Child advocate	7,329	55,147
Youth services	570	19,711
Healthcare initiatives	15,000	-
COVID-19 assistance	-	75,000
Other purpose restrictions	<u>7,498</u>	<u>7,385</u>
	<u>\$ 120,397</u>	<u>\$ 255,489</u>

**PREVAIL, INC. OF HAMILTON COUNTY AND AFFILIATE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended June 30, 2022 and 2021**

**NOTE 7 - ENDOWMENTS**

The donor-restricted endowment consists of a single fund established to benefit Prevail held and maintained by CICF. In addition, the Board of Directors set aside funds as an endowment maintained by Prevail Foundation, Inc. to provide operating support.

Although not specifically required by the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”), the Board of Directors has interpreted its responsibility to require the preservation of the fair value of the original donor-restricted gifts as of the gift dates. As a result, Prevail classifies as perpetual net assets with donor restrictions the original value of gifts donated to establish the CICF endowment as well as the original value of any subsequent gifts. The remaining portion of the CICF endowment fund not classified as perpetual net assets with donor restrictions is classified as net assets with donor restrictions until such amounts are appropriated for expenditure. The Board-designated endowment is included in net assets without donor restrictions.

CICF follows a practice of appropriating 5% of the value of the fund at year end for distribution annually. Prevail has the option of accepting the distribution or retaining it in the fund. CICF adopted investment and spending policies for the endowment assets to provide a predictable stream of funding while seeking to maintain the purchasing power of the endowment assets. The assets are invested in a manner intended to produce long-term growth of capital without undue exposure to risk.

From time to time, the fair value of assets associated with the donor-restricted endowment fund may fall below the level the donor requires CICF to retain as a fund of perpetual duration. Deficiencies of this nature are reported in net assets without donor restrictions. The endowment assets reflected surpluses as of June 30, 2022 and 2021.

Endowment net assets by type of fund were as follows as of June 30, 2022 and 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	
		<u>Earnings</u>	<u>Perpetual</u>
<b>June 30, 2022:</b>			
Donor-restricted endowment	\$ -	\$ 25,801	\$ 71,185
Board-designated endowment	<u>2,441,225</u>	<u>-</u>	<u>-</u>
<i>Total</i>	<u>\$ 2,441,225</u>	<u>\$ 25,801</u>	<u>\$ 71,185</u>
<b>June 30, 2021:</b>			
Donor-restricted endowment	\$ -	\$ 23,804	\$ 71,185
Board-designated endowment	<u>3,175,137</u>	<u>-</u>	<u>-</u>
<i>Total</i>	<u>\$ 3,175,137</u>	<u>\$ 23,804</u>	<u>\$ 71,185</u>

**PREVAIL, INC. OF HAMILTON COUNTY AND AFFILIATE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended June 30, 2022 and 2021**

**NOTE 7 - ENDOWMENTS, Continued**

Changes in endowment net assets were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	
		<u>Earnings</u>	<u>Perpetual</u>
<b>Balance at July 1, 2020</b>	\$ 2,483,522	\$ 5,721	\$ 71,185
Interest and dividends	54,447	-	-
Gain on investments	699,158	27,008	-
Appropriation of net assets for expenditure	(61,990)	(8,246)	-
Fees	-	(679)	-
	<hr/>	<hr/>	<hr/>
<b>Balance at June 30, 2021</b>	3,175,137	23,804	71,185
Interest and dividends	121,975	-	-
Gain (loss) on investments	(615,896)	2,187	-
Appropriation of net assets for expenditure	(239,991)	-	-
Fees	-	(190)	-
	<hr/>	<hr/>	<hr/>
<b>Balance at June 30, 2022</b>	\$ <u>2,441,225</u>	\$ <u>25,801</u>	\$ <u>71,185</u>

**NOTE 8 - PAYCHECK PROTECTION PROGRAM**

In response to the COVID-19 pandemic, the United States federal government adopted the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act which includes the Paycheck Protection Program (“PPP”) administered through the Small Business Administration. On April 30, 2020, Prevail was granted a note payable from BMO Harris Bank, N.A. in the amount of \$262,500 pursuant to the PPP under Division A, Title I of the CARES Act. The PPP note payable was forgiven in full during the year ended June 30, 2021 and was therefore recorded as PPP loan forgiveness income.

**NOTE 9 - LEASES**

Prevail leases its office facility under an operating lease. Rent expense under this lease was \$86,604 for both years ended June 30, 2022 and 2021. The lease term does not extend beyond one year from the reporting date.

**PREVAIL, INC. OF HAMILTON COUNTY AND AFFILIATE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended June 30, 2022 and 2021**

**NOTE 10 - RISKS AND UNCERTAINTIES**

The majority of revenues relate directly or indirectly to programs sponsored by federal and state legislation. Changes in government sponsored programs may significantly affect Prevail. Federal funding and the Hamilton County Council provided approximately 40% and 10%, respectively, of revenue, excluding investment loss, to Prevail for the year ended June 30, 2022 (41% and 12% in 2021, excluding investment income and PPP loan forgiveness income).

Prevail maintains the majority of its cash deposits in commercial banks. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation. Cash deposits are generally within the insurance limits.

**NOTE 11 - LINE OF CREDIT**

Prevail maintains a line of credit with BMO Harris Bank N.A. The line is secured by Prevail's assets. The line has a credit limit of \$168,000 and bears interest at a variable rate of prime plus 2.10%, but not lower than 3.00% (6.85% at June 30, 2022). There was no balance outstanding on the line of credit as of June 30, 2022 and 2021.

**NOTE 12 - LIQUIDITY**

Financial assets for Prevail include cash, grants receivable, investments in reserve fund, Central Indiana Community Foundation endowment, and Prevail Foundation endowment. Following is a schedule of financial assets and the ability thereof to meet cash needs for general expenditures within one year as of June 30:

	<u><b>2022</b></u>	<u><b>2021</b></u>
Financial assets	\$ 3,327,615	\$ 4,018,472
Less those unavailable for general expenditures within one year, due to:		
CICF restrictions	(71,185)	(71,185)
Restricted by Board designation	<u>(2,441,225)</u>	<u>(3,175,137)</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 815,205</u>	 <u>\$ 772,150</u>

Prevail regularly receives donor-restricted contributions. Donor restrictions require resources to be used in a particular manner or in a future period, therefore Prevail maintains sufficient resources to meet those responsibilities to its donors. Management believes Prevail will meet all the purpose and time restrictions as of June 30, 2022 and 2021, with the exception of the perpetual restrictions on the CICF Legacy Fund during the following fiscal year, and therefore considers these financial assets to be available for general expenditures. Board-designated net assets are available to be released from designation at the discretion of the Board of Directors to use to meet general expenditures within one year. Prevail also has a line of credit with \$168,000 in available borrowing as of June 30, 2022 which can be utilized for general expenditures.

**PREVAIL, INC. OF HAMILTON COUNTY AND AFFILIATE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended June 30, 2022 and 2021**

**NOTE 13 - FUNCTIONAL EXPENSE REPORTING**

The costs of providing activities pertaining to Prevail's programming have been summarized on a functional basis in the consolidated statements of activities and change in net assets. Accordingly, certain expenses have been allocated between program services, management and general, and fundraising and public relations expenses.

Management allocates costs among the various functional expense categories using a combination of direct allocation and estimation. Payroll and associated costs are allocated based on employee time records. Other costs are either applied directly to the functional expense category they belong to or allocated using an appropriate basis (generally payroll percentages).

SUPPLEMENTARY INFORMATION

**PREVAIL, INC. OF HAMILTON COUNTY AND AFFILIATE  
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**

**June 30, 2022**

	<u>Prevail, Inc. of Hamilton County</u>	<u>Prevail Foundation, Inc.</u>	<u>Consolidated</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	\$ 267,297	\$ -	\$ 267,297
Grants receivable	372,454	-	372,454
Investments in reserve fund	149,653	-	149,653
Prepaid expenses and other assets	<u>48,138</u>	<u>-</u>	<u>48,138</u>
<i>Total current assets</i>	<u>837,542</u>	<u>-</u>	<u>837,542</u>
<b>PROPERTY AND EQUIPMENT</b>			
Leasehold improvements	38,635	-	38,635
Equipment	193,517	-	193,517
Furniture and fixtures	26,527	-	26,527
Less: accumulated depreciation	<u>(182,835)</u>	<u>-</u>	<u>(182,835)</u>
<i>Property and equipment, net</i>	<u>75,844</u>	<u>-</u>	<u>75,844</u>
<b>LONG-TERM INVESTMENTS</b>			
Central Indiana Community Foundation endowment	96,986	-	96,986
Prevail Foundation endowment	<u>-</u>	<u>2,441,225</u>	<u>2,441,225</u>
<i>Total long-term investments</i>	<u>96,986</u>	<u>2,441,225</u>	<u>2,538,211</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,010,372</u>	<u>\$ 2,441,225</u>	<u>\$ 3,451,597</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 49,859	\$ -	\$ 49,859
Deferred income	<u>13,105</u>	<u>-</u>	<u>13,105</u>
<i>Total current liabilities</i>	<u>62,964</u>	<u>-</u>	<u>62,964</u>
<b>NET ASSETS</b>			
Without donor restrictions:			
Board-designated	-	2,441,225	2,441,225
Undesignated	660,464	-	660,464
With donor restrictions	<u>286,944</u>	<u>-</u>	<u>286,944</u>
<i>Total net assets</i>	<u>947,408</u>	<u>2,441,225</u>	<u>3,388,633</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,010,372</u>	<u>\$ 2,441,225</u>	<u>\$ 3,451,597</u>

See independent auditors' report

**PREVAIL, INC. OF HAMILTON COUNTY AND AFFILIATE  
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**

**June 30, 2021**

	<u>Prevail, Inc. of Hamilton County</u>	<u>Prevail Foundation, Inc.</u>	<u>Consolidated</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	\$ 199,960	\$ -	\$ 199,960
Grants receivable	289,978	-	289,978
Investments in reserve fund	258,408	-	258,408
Prepaid expenses and other assets	<u>27,826</u>	<u>-</u>	<u>27,826</u>
<i>Total current assets</i>	<u>776,172</u>	<u>-</u>	<u>776,172</u>
<b>PROPERTY AND EQUIPMENT</b>			
Leasehold improvements	38,635	-	38,635
Equipment	186,998	-	186,998
Furniture and fixtures	18,527	-	18,527
Less: accumulated depreciation	<u>(156,645)</u>	<u>-</u>	<u>(156,645)</u>
<i>Property and equipment, net</i>	<u>87,515</u>	<u>-</u>	<u>87,515</u>
<b>LONG-TERM INVESTMENTS</b>			
Central Indiana Community Foundation endowment	94,989	-	94,989
Prevail Foundation endowment	<u>-</u>	<u>3,175,137</u>	<u>3,175,137</u>
<i>Total long-term investments</i>	<u>94,989</u>	<u>3,175,137</u>	<u>3,270,126</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 958,676</u></u>	<u><u>\$ 3,175,137</u></u>	<u><u>\$ 4,133,813</u></u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 48,667	\$ -	\$ 48,667
Deferred income	<u>38,539</u>	<u>-</u>	<u>38,539</u>
<i>Total current liabilities</i>	<u>87,206</u>	<u>-</u>	<u>87,206</u>
<b>NET ASSETS</b>			
Without donor restrictions:			
Board-designated	-	3,175,137	3,175,137
Undesignated	613,737	-	613,737
With donor restrictions	<u>257,733</u>	<u>-</u>	<u>257,733</u>
<i>Total net assets</i>	<u>871,470</u>	<u>3,175,137</u>	<u>4,046,607</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 958,676</u></u>	<u><u>\$ 3,175,137</u></u>	<u><u>\$ 4,133,813</u></u>

See independent auditors' report

**PREVAIL, INC. OF HAMILTON COUNTY AND AFFILIATE**  
**CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS**  
**For the Year Ended June 30, 2022**

	<u>Prevail, Inc. of Hamilton County</u>	<u>Prevail Foundation, Inc.</u>	<u>Consolidating Entries</u>	<u>Consolidated</u>
<b>REVENUE AND SUPPORT</b>				
Grants:				
Government	\$ 901,905	\$ -	\$ -	\$ 901,905
Foundation	367,700	-	(239,991)	127,709
Contract service revenue	196,800	-	-	196,800
Contributions	199,593	32,710	-	232,303
Special events income, net of expenses	327,875	-	-	327,875
Interest and dividends	15,082	121,975	-	137,057
	<u>2,008,955</u>	<u>154,685</u>	<u>(239,991)</u>	<u>1,923,649</u>
<i>Total revenue and support</i>				
<b>EXPENSES</b>				
Program services:				
Victim services	1,660,947	-	-	1,660,947
Community assistance grants	-	239,991	(239,991)	-
	<u>1,660,947</u>	<u>239,991</u>	<u>(239,991)</u>	<u>1,660,947</u>
<i>Total program services</i>				
Management and general	142,020	27,598	-	169,618
Fundraising and public relations	100,408	-	-	100,408
	<u>1,903,375</u>	<u>267,589</u>	<u>(239,991)</u>	<u>1,930,973</u>
<i>Total expenses</i>				
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	105,580	(112,904)	-	(7,324)
<b>OTHER INCOME</b>				
Loss on investments	(29,642)	(621,008)	-	(650,650)
	<u>(29,642)</u>	<u>(621,008)</u>	<u>-</u>	<u>(650,650)</u>
<b>CHANGE IN NET ASSETS</b>	75,938	(733,912)	-	(657,974)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>871,470</u>	<u>3,175,137</u>	<u>-</u>	<u>4,046,607</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 947,408</u>	<u>\$ 2,441,225</u>	<u>\$ -</u>	<u>\$ 3,388,633</u>

See independent auditors' report

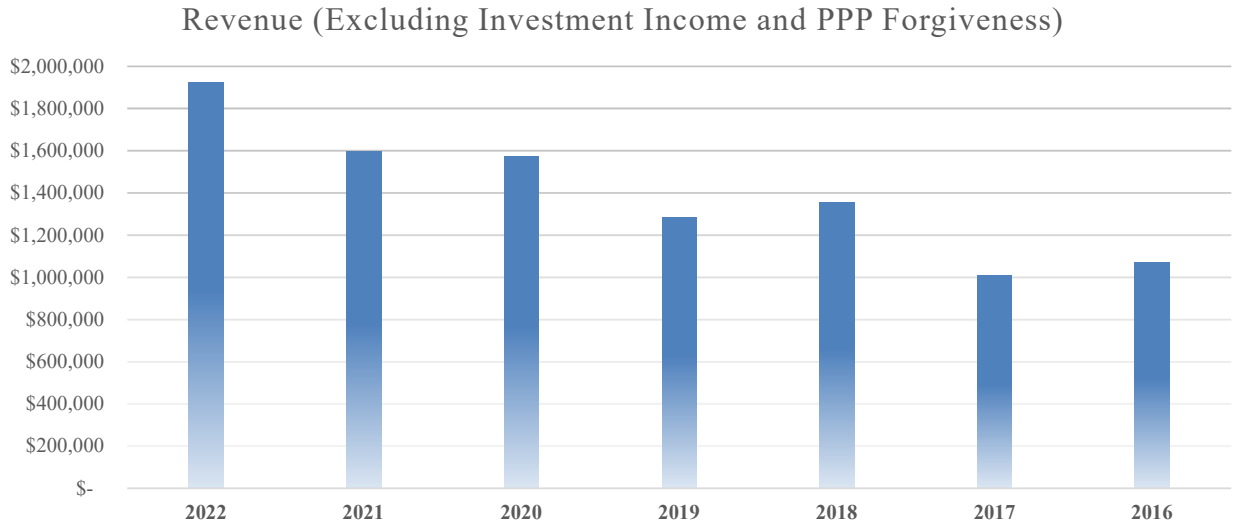
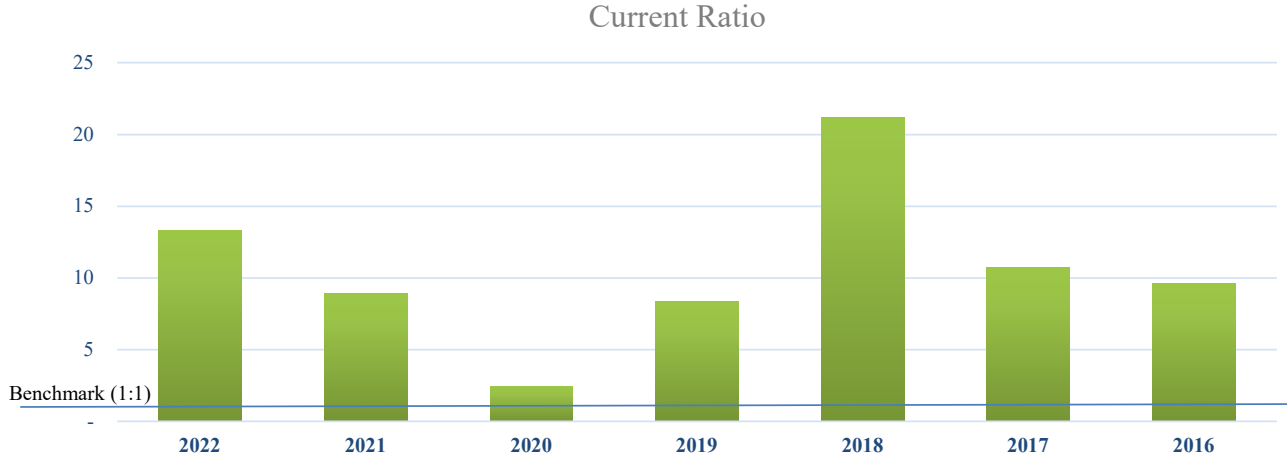
**PREVAIL, INC. OF HAMILTON COUNTY AND AFFILIATE**  
**CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS**  
**For the Year Ended June 30, 2021**

	<u>Prevail, Inc. of Hamilton County</u>	<u>Prevail Foundation, Inc.</u>	<u>Consolidating Entries</u>	<u>Consolidated</u>
<b>REVENUE AND SUPPORT</b>				
Grants:				
Government	\$ 764,701	\$ -	\$ -	\$ 764,701
Foundation	291,915	-	(61,990)	229,925
Contract service revenue	201,900	-	-	201,900
Contributions	220,363	-	-	220,363
Special events income, net of expenses	117,773	-	-	117,773
Interest and dividends	9,180	54,447	-	63,627
	<u>1,605,832</u>	<u>54,447</u>	<u>(61,990)</u>	<u>1,598,289</u>
<i>Total revenue and support</i>				
<b>EXPENSES</b>				
Program services:				
Victim services	1,434,943	-	-	1,434,943
Community assistance grants	-	61,990	(61,990)	-
	<u>1,434,943</u>	<u>61,990</u>	<u>(61,990)</u>	<u>1,434,943</u>
<i>Total program services</i>				
Management and general	116,773	25,362	-	142,135
Fundraising and public relations	100,622	-	-	100,622
	<u>1,652,338</u>	<u>87,352</u>	<u>(61,990)</u>	<u>1,677,700</u>
<i>Total expenses</i>				
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>				
	<u>(46,506)</u>	<u>(32,905)</u>	<u>-</u>	<u>(79,411)</u>
<b>OTHER INCOME</b>				
Paycheck Protection Program loan forgiveness income	262,500	-	-	262,500
Gain on investments	38,165	724,520	-	762,685
	<u>300,665</u>	<u>724,520</u>	<u>-</u>	<u>1,025,185</u>
<i>Total other income</i>				
<b>CHANGE IN NET ASSETS</b>	254,159	691,615	-	945,774
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>617,311</u>	<u>2,483,522</u>	<u>-</u>	<u>3,100,833</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 871,470</u>	<u>\$ 3,175,137</u>	<u>\$ -</u>	<u>\$ 4,046,607</u>

See independent auditors' report

**PREVAIL, INC. OF HAMILTON COUNTY AND AFFILIATE**  
**GRAPHICAL AND SUMMARIZED DATA**

**For the Seven Years Ended June 30, 2022**



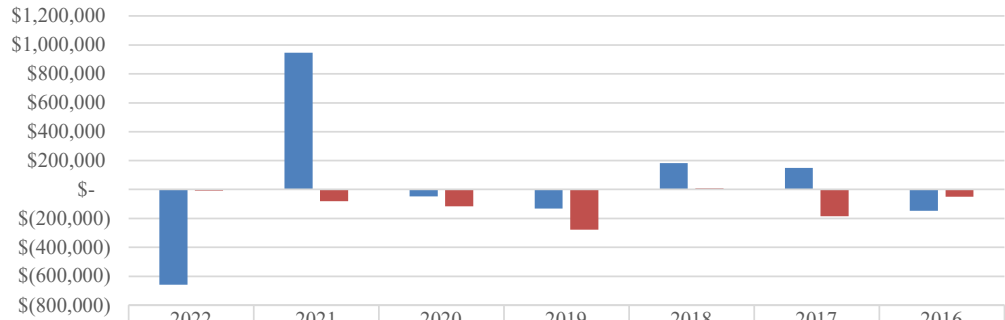
See independent auditors' report

**PREVAIL, INC. OF HAMILTON COUNTY AND AFFILIATE**

**GRAPHICAL AND SUMMARIZED DATA**

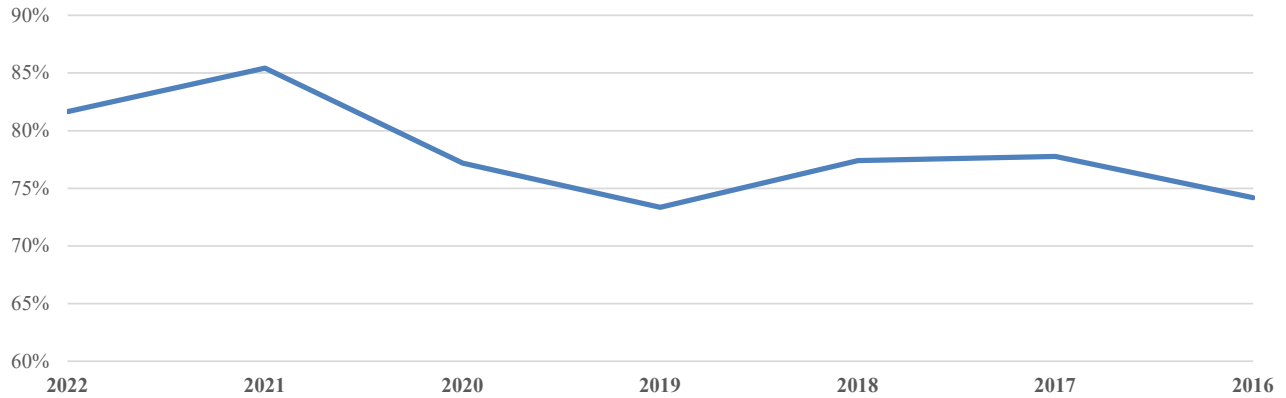
**For the Seven Years Ended June 30, 2022**

Change in Net Assets



	2022	2021	2020	2019	2018	2017	2016
Change in Net Assets	\$(657,974)	\$945,774	\$(47,676)	\$(130,514)	\$182,710	\$149,201	\$(145,695)
Change in Net Assets from Operations	\$(7,324)	\$(79,411)	\$(114,603)	\$(277,850)	\$8,872	\$(184,343)	\$(49,071)

Program Service Expenses as a Percentage of Total Expenses



	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Cash on Hand</b>	\$267,297	\$199,960	\$538,939	\$124,923	\$237,487	\$233,296	\$224,591
<b>Days Cash on Hand</b>	51	44	117	29	64	71	73

See independent auditors' report

**PREVAIL, INC. OF HAMILTON COUNTY AND AFFILIATE**  
**CONSOLIDATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2022**

<u>Federal Grantor Agency/Pass-Through Entity/ Cluster Title/Program Title/Project Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Awards Expended</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute			
Crime Victim Assistance			
Services to Victims of Domestic Violence	16.575	VOCA 2020-0007	\$ 558,630
Services to Victims of Domestic Violence	16.575	VOCA SP-2021-00014	13,800
Sexual Assault Services Formula Program	16.017	SASP 2020-00002	24,248
Sexual Assault Services Formula Program	16.017	SASP 2022-00002	<u>20,736</u>
<i>Total U.S. Department of Justice</i>			<u>617,414</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Housing and Community Development Authority			
Continuum of Care Program	14.267	DVRR-021-0216-4	36,571
Continuum of Care Program	14.267	DV-020-0216	<u>46,392</u>
<i>Total U.S. Department of Housing and Urban Development</i>			<u>82,963</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Criminal Justice Institute			
Family Violence Prevention and Services/Domestic			
Violence Shelter and Supportive Services	93.671	FVPSA 2020-00004	6,668
Violence Shelter and Supportive Services	93.671	FVPSA 2021-00022	30,557
Violence Shelter and Supportive Services	93.671	FVPSA 2021-00028	24,249
Violence Shelter and Supportive Services	93.671	FVPSA 2022-00005	<u>9,710</u>
<i>Total U.S. Department of Health and Human Services</i>			<u>71,184</u>
<i>Total federal awards expended</i>			<u>\$ 771,561</u>

See independent auditors' report and accompanying notes to this schedule

**PREVAIL, INC. OF HAMILTON COUNTY AND AFFILIATE**  
**NOTES TO THE CONSOLIDATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2022**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying consolidated schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Prevail, Inc. of Hamilton County and Affiliate (collectively, “Prevail”) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of Prevail, it is not intended to and does not present the financial position, changes in net assets, functional expenses, or cash flows of Prevail.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance* wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 - INDIRECT COST RATE**

Prevail has elected not to use the 10 percent de minimis indirect cost rate allowed under the *Uniform Guidance*.



# Donovan CPAs

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

The Board of Directors  
Prevail, Inc. of Hamilton County

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Prevail, Inc. of Hamilton County and Affiliate (collectively, "Prevail"), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 20, 2023.

### Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Prevail'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Prevail's internal control. Accordingly, we do not express an opinion on the effectiveness of Prevail'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 consolidated 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.

---

[www.cpadonovan.com](http://www.cpadonovan.com)

Avon | 5151 E. US Hwy 36, Avon, IN 46123 | 317.745.6411

Indianapolis | 9292 N. Meridian Street, Suite 150, Indianapolis, IN 46260 | 317.844.8300

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

DONOVAN

A handwritten signature in dark ink that reads "DONOVAN". The signature is written in a cursive style with a large, stylized initial "D".

Indianapolis, Indiana  
April 20, 2023



# Donovan CPAs

## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE *UNIFORM GUIDANCE***

The Board of Directors  
Prevail, Inc. of Hamilton County

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

We have audited Prevail, Inc. of Hamilton County and Affiliate's (collectively, "Prevail") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget Compliance Supplement* that could have a direct and material effect on Prevail's major federal program for the year ended June 30, 2022. Prevail's major federal program is 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for Prevail's major federal program 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 the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance 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 Prevail's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Prevail's compliance.

---

[www.cpadonovan.com](http://www.cpadonovan.com)

Avon | 5151 E. US Hwy 36, Avon, IN 46123 | 317.745.6411

Indianapolis | 9292 N. Meridian Street, Suite 150, Indianapolis, IN 46260 | 317.844.8300

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

In our opinion, Prevail complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

## **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on the major federal program is not modified with respect to this matter.

Prevail's response to the noncompliance finding identified in our audit is described in the corrective action plan on page 32. Prevail's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control Over Compliance**

Management of Prevail is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Prevail's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Prevail's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

*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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a significant deficiency.

Prevail's response to the internal control over compliance finding identified in our audit is described in the corrective action plan on pages 32. Prevail's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

DONOVAN

A handwritten signature in black ink that reads "DONOVAN". The letters are cursive and connected, with a prominent loop at the end of the word.

Indianapolis, Indiana  
April 20, 2023

**PREVAIL, INC. OF HAMILTON COUNTY AND AFFILIATE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2022**

**I. Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiency identified?	None reported
Noncompliance material to financial statements noted?	No

***Federal Awards***

Internal control over major programs:	
• Material weakness identified?	No
• Significant deficiency identified?	Yes
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes
Identification of major programs:	

Assistance Listing Number

Name of Federal Program or Cluster

16.575

Crime Victim Assistance

Dollar threshold use to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

**II. Financial Statement Findings**

No matters are reportable.

**PREVAIL, INC. OF HAMILTON COUNTY AND AFFILIATE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2022**

**III. Federal Award Findings and Questioned Costs**

FINDING NO. 2022-001 PROCUREMENT (SIGNIFICANT DEFICIENCY)  
FEDERAL PROGRAM OR CLUSTER: CRIME VICTIM ASSISTANCE  
ASSISTANCE LISTING NUMBER: 16.575

Criteria

Per 2 CFR 200.318, “The non-Federal entity must have and use documented procurement procedures, consistent with State, local, and tribal laws and regulations and the standards of this section, for the acquisition of property or services required under a Federal award or subaward. The non-Federal entity's documented procurement procedures must conform to the procurement standards identified in §200.317 through 200.327.”

Condition

Prevail does not have a documented procurement policy to ensure it is complying with the above standard.

Cause

A responsible individual is not monitoring Federal regulations to ensure Prevail’s procurement procedures are properly documented and in line with the regulations.

Effect

Not documenting these procedures could result in Prevail completing procurement transactions not in compliance with Federal regulations. Additionally, Prevail does not include the requirement to check for suspension or debarment of vendors, as required by Federal regulations.

Recommendation

We recommend Prevail develop a written procurement policy incorporating the Federal regulations identified above.

Views of Responsible Officials

Prevail’s Corrective Action Plan is included on page 32.

## CORRECTIVE ACTION PLAN

Finding No. 2022-001 Procurement

Federal Program: Crime Victim Assistance

Assistance Listing Number: 16.575

In response to the Single Audit Finding referenced in the 2022 independent audit conducted by Donavon CPAs, Prevail will institute the following action steps to remedy the finding:

- The Interim Executive Director of Prevail, working in collaboration with Prevail's Director of Operations, will generate a first draft of a Procurement Policy for board input and review.
- The draft will be reviewed by the Prevail Finance Committee on April 25, 2023, for input and suggestions. The Interim Executive Director will make edits in response to recommendations by the Finance Committee.
- The Procurement Plan will then be presented for board approval at the Prevail Board of Directors meeting scheduled for May 10, 2023.
- After approval, it will be the responsibility of the Director of Operations, under the oversight of the Interim Executive Director, to implement and maintain compliance with the plan. When a new Executive Director is hired, plan maintenance and compliance will become the responsibility of this role.
- On an annual basis, the Finance Committee will review the Procurement Plan to ensure Prevail maintains compliance.



1100 South 9th Street | Suite 100  
Noblesville, Indiana 46060  
317.773.6942  
[www.prevailinc.org](http://www.prevailinc.org)