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May 27, 2009

Board of Directors
A Better Way Services, Inc.
P.O. Box 734
Muncie, IN 47308

We have reviewed the audit report prepared by Summers, Carroll, Whisler, LLC, Independent Public Accountants, for the period January 1, 2008 to June 30, 2008. 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 the A Better Way Services, Inc., as of June 30, 2008, 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.

We call your attention to the finding in the report. The management letter contains one comment.

STATE BOARD OF ACCOUNTS

**COMBINED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

A BETTER WAY SERVICES, INC.

**FAMILY SERVICES OF DELAWARE COUNTY
BUILDING CORPORATION**

JUNE 30, 2008

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EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133



Summers, Carroll, Whisler *LLC*

Certified Public Accountants

Independent Auditors' Report

Board of Directors A Better Way Services, Inc.

We have audited the accompanying combined statement of financial position of A Better Way Services, Inc. (a nonprofit organization) and affiliate as of June 30, 2008, and the related combined statements of activities, cash flow, and functional expenses for the six months then ended. These combined financial statements are the responsibility of the Organizations' management. Our responsibility is to express an opinion on these combined financial statements based on our 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 combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of A Better Way Services, Inc. and affiliate as of June 30, 2008, and the changes in their net assets and their cash flow for the six months then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2008 on our consideration of A Better Way Services, Inc. and affiliate's internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of 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* and important for assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic combined financial statements of A Better Way Services, Inc. and affiliate taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic combined financial statements. The additional statements and schedules in the supplementary information are also presented for purposes of additional analysis and are not a required part of the basic combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic combined financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic combined financial statements taken as a whole.

Summus, Carroll, Whisler L L C

Muncie, Indiana
December 29, 2008

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

COMBINED STATEMENT OF FINANCIAL POSITION

June 30, 2008

ASSETS

CURRENT ASSETS

Cash	\$ 193,184
Unconditional promises to give	525,569
Accounts receivable	87,053
Prepaid expenses	8,640

Total current assets 814,446

PROPERTY, BUILDINGS AND EQUIPMENT

Buildings and improvements	2,117,521
Equipment	176,298

Less accumulated depreciation 2,293,819
542,364

Land 1,751,455
47,500

1,798,955

OTHER ASSETS

Agency fund	145,752
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145,752

\$ 2,759,153

The accompanying notes are an integral part of this statement.

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Deposits	\$ 1,464
Accounts payable	34,262
Other payables	1,503
Current maturities of long-term liabilities	7,028
Grants payable	53,973
Accrued and withheld liabilities	64,246

Total current liabilities	162,476
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LONG-TERM LIABILITIES

Mortgage payable, less current maturities	50,221
Contingent liabilities	950,000

	1,000,221
--	-----------

Total liabilities	1,162,697
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NET ASSETS

Unrestricted	976,551
Temporarily restricted	535,000
Permanently restricted	84,905

	1,596,456
--	-----------

	\$ 2,759,153
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A Better Way Services, Inc.
Family Services of Delaware County Building Corporation

COMBINED STATEMENT OF ACTIVITIES

Six Months Ended June 30, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue				
Public support	\$ 36,110			\$ 36,110
Revenue	673,504	\$ 422,875		1,096,379
Total support and revenue	709,614	422,875		1,132,489
Net assets released from restrictions				
Expiration of time/usage restrictions	316,098	(316,098)		
Restrictions satisfied by payments	4,502	(4,502)		
	1,030,214	102,275		1,132,489
Expenses				
Program services				
A Better Way Shelter	625,170			625,170
Afternoons R.O.C.K.	418,080			418,080
	1,043,250			1,043,250
Supporting services				
Management and General	132,906			132,906
Total expenses	1,176,156			1,176,156
INCREASE (DECREASE) IN NET ASSETS	(145,942)	102,275		(43,667)
Net assets at beginning of period	1,122,493	432,725	\$ 84,905	1,640,123
Net assets at end of period	\$ 976,551	\$ 535,000	\$ 84,905	\$ 1,596,456

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 CASH FLOW

Six Months Ended June 30, 2008

Cash flow from operating activities:	
Decrease in net assets	\$ (43,667)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	40,537
Realized gain on investments	(2,693)
Unrealized loss on investments	15,417
(Increase) decrease in assets:	
Unconditional promises to give	(117,902)
Accounts receivable	3,819
Prepaid expenses	3,501
Increase (decrease) in liabilities:	
Deposits	(315)
Accounts payable	34,262
Other payables	(3,617)
Grants payable	(92,436)
Accrued and withheld liabilities	4,291
	<hr/>
Net cash used in operating activities	(158,803)
Cash flow from investing activities:	
Cash payments for the purchase of property	(5,897)
Net change in investments	(690)
	<hr/>
Net cash used in investing activities	(6,587)
Cash flow from financing activities:	
Principal payments on long-term liabilities	(66,172)
Proceeds from issuance of long-term liabilities	60,000
	<hr/>
Net cash used in financing activities	(6,172)
	<hr/>
Net decrease in cash and cash equivalents	(171,562)
Cash and cash equivalents at beginning of period	364,746
	<hr/>
Cash and cash equivalents at end of period	<u>\$ 193,184</u>
	<hr/>
Cash paid during the period for interest	<u>\$ 4,587</u>

The accompanying notes are an integral part of this statement.

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

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

Six Months Ended June 30, 2008

	A Better Way Shelter	Afternoons R.O.C.K.	Total Program Services	Management and General	Total
Salaries	\$ 301,707	\$ 63,482	\$ 365,189	\$ 36,802	\$ 401,991
Employee benefits	86,822	16,110	102,932	12,742	115,674
Payroll taxes	23,587	3,655	27,242	3,322	30,564
Professional fees	61,397	11,909	73,306	4,120	77,426
Supplies	30,227	556	30,783	1,742	32,525
Telephone	4,170	1,509	5,679	1,264	6,943
Postage	590	145	735	243	978
Occupancy	24,679	490	25,169	579	25,748
Equipment rental and maintenance	5,274	691	5,965	7,307	13,272
Printing and publications	300		300		300
Conferences and training workshops	440	7,296	7,736	60	7,796
Interest				4,587	4,587
Employee allowance	547	820	1,367	55	1,422
Membership dues	880		880		880
Advertising	259	487	746	349	1,095
Insurance	19,560	1,589	21,149	4,829	25,978
Grants		273,621	273,621		273,621
Fund raising				32,005	32,005
Program materials	26,806	32,365	59,171		59,171
Program transportation	18,865	3,355	22,220		22,220
Miscellaneous	958		958	465	1,423
Total expenses before depreciation	607,068	418,080	1,025,148	110,471	1,135,619
Depreciation	18,102		18,102	22,435	40,537
Total expenses	\$ 625,170	\$ 418,080	\$ 1,043,250	\$ 132,906	\$ 1,176,156

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, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization

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

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

A Better Way is a nonprofit organization qualifying 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.

2. Basis of Presentation

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

3. Agency Funds

In accordance with *Statement of Financial Accounting Standards No. 136*, "Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others," 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 and are referred to as agency funds. 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.

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

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

5. Property, Buildings and Equipment

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. The organizations' policies are to capitalize assets valued at \$1,000 or greater. They provide for depreciation using the straight-line method based upon the estimated useful lives of the assets. Upon retirement or sale of property, buildings and equipment, the cost and related accumulated depreciation are eliminated from the respective accounts and the resulting gain or loss, if applicable, is recorded.

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. 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. The financial statement presentation follows the recommendations of the American Institute of Certified Public Accountants and its *Industry Audit Guide, Audits of Voluntary Health and Welfare Organizations*.

In accordance with *Statement of Financial Accounting Standards No. 117*, "Financial Statements of Not-For-Profit Organizations," 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.

8. Public Support and Revenue

In accordance with *Statement of Financial Accounting Standards No. 116*, "Accounting for Contributions Received and Contributions Made," contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

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

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

9. 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.

10. 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 150 hours. An accrual in the amount of \$26,481 is included in the financial statements.

Full-time employees accrue 7.5 hours of sick time per month and may accumulate sick time up to a maximum of 487.5 hours. However, unused sick time expires upon termination. An accrual has not been made because the amount cannot be reasonably estimated.

11. Advertising Costs

Advertising costs are expensed as incurred and included in functional expenses. Advertising expenses totaled \$1,095 for the six months ended June 30, 2008.

12. Use of Estimates

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

13. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE B - UNCONDITIONAL PROMISES TO GIVE

The amount due from funding sources consists of program grants in the amount of \$525,569 for the programs' terms. Uncollectible promises are expected to be insignificant. The amounts from these funding sources at June 30, 2008 are all due within one year.

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

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2008

NOTE C - INVESTMENTS - AGENCY FUNDS

An endowment (agency) fund was established at the Community Foundation of Muncie and Delaware County, Inc. in 1997 to benefit A Better Way Shelter program of A Better Way. Variance power was not granted for the transfers; thus, the beneficial interest in these assets held at the foundation is recorded at their fair market value. The fair market 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 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. At June 30, 2008, \$51,418 of "spendable funds" was available for withdrawal.

	<u>Cost</u>	<u>Fair Value</u>	<u>Carrying Value</u>
Agency fund	\$138,008	\$145,752	\$145,752

The following schedule summarizes the investment return and its classification in the Combined Statement of Activities for the six months ended June 30, 2008.

Revenue - Investment income, temporarily restricted	\$ 1,599
Revenue - Realized gain on investments, temporarily restricted	2,693
Revenue - Unrealized loss on investments, temporarily restricted	<u>(15,417)</u>
Total investment return	<u>\$(11,125)</u>

NOTE D - LOAN PAYABLE

In January 2008 the loan was refinanced for a term of five years requiring monthly payments of \$923, amortized over seven years, with interest calculated at a fixed rate of 7.50%. The loan matures January 2013 at which time a final payment of the entire unpaid balance of principal and interest will be due. The loan agreement contains a post maturity interest rate equal to 11.50% on any unpaid balance owing after maturity. The loan is secured by a mortgage on the office building and land and by an assignment of leases and rents.

The minimum loan commitment is as follows.

	<u>Building Corporation</u>
Year ending June 30, 2009	\$ 7,028
2010	7,574
2011	8,162
2012	8,795
2013	<u>25,690</u>
	<u>\$57,249</u>

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

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2008

NOTE E - 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.

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
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
City of Muncie's Department of Community Development forgivable 20 years after the date the final payment is disbursed by the City. The final payment was disbursed in August 2004.	<u>175,000</u>
	<u>\$950,000</u>

NOTE F - RESTRICTIONS ON ASSETS

Temporarily restricted net assets consist of unconditional promises to give in the form of a grant from the Indiana Tobacco Prevention Coalition, a 21st Century Community Learning grant and the agency fund's spendable balance as allocated by the Community Foundation of Muncie and Delaware County, Inc.

Temporarily restricted net assets are available as follows.

Indiana Tobacco Prevention Coalition grant for the program's term	\$ 91,569
21 st Century Community Learning grant for the programs' term	434,000
Agency fund investment income allocation	<u>9,431</u>
	<u>\$535,000</u>

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

Time restriction expired on United Way allocation	\$ 72,000
Time restriction expired on 21 st Century Community Learning grant	240,858
Donor restrictions satisfied	3,240
Restrictions satisfied on the Community Foundation's allocation	<u>4,502</u>
	<u>\$320,600</u>

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

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2008

NOTE F - RESTRICTIONS ON ASSETS - Continued

The following assets are temporarily restricted for the purpose of satisfying grants payable to subrecipients in the amount of \$37,930. These restrictions have no effect on temporarily restricted net assets at June 30, 2008.

Cash	\$ 2,830
Accounts receivable	<u>35,100</u>
	<u>\$37,930</u>

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

NOTE G - 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 six months ending June 30, 2008 amounted to \$16,920.

NOTE H - INTEREST EXPENSE

Interest costs totaling \$4,587 were incurred during the six months ended June 30, 2008. No interest costs were capitalized as part of the costs of assets acquired during the period.

NOTE I - SIGNIFICANT CONCENTRATIONS OF CREDIT RISK

A Better Way has concentrated its credit risk for cash by maintaining deposits in banks located within the same geographic region. The maximum loss that would have resulted from that risk for the excess of the balances over the amounts that would have been covered by federal insurance for the six month period under audit occurred on April 9, 2008 and totaled \$188,765. At June 30, 2008, that potential maximum loss totaled \$85,713.

NOTE J - 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.

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

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2008

NOTE K - 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 noncapital 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 L - 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 the criteria for recognition under *Statement of Financial Standards No. 116, "Accounting for Contributions Received and Contributions Made,"* have not been satisfied. The 1,878.5 total volunteer hours received for the six months ended June 30, 2008 has an estimated fair value of \$28,178.

SUPPLEMENTAL INFORMATION

A Better Way Services, Inc.
Family Services of Delaware County Building Corporation
COMBINED STATEMENT OF SUPPORT AND REVENUE
Six Months Ended June 30, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support				
Public support				
Contributions	\$ 36,110			\$ 36,110
	<u>36,110</u>			<u>36,110</u>
Revenue				
Community Development Block Grant	406			406
Criminal Justice Grant	42,270			42,270
Division of Addiction Services	364,800			364,800
Domestic Violence Grant	1,981			1,981
Emergency Shelters Grant	207			207
Family Violence Grant	39,310			39,310
Federal Emergency Management Agency Grant	6,000			6,000
Social Services Block Grant	6,096			6,096
21st Century Community Learning State Grant	26,000	\$ 434,000		460,000
US Dept. of Housing and Urban Development	90,585			90,585
Program service fees	61,393			61,393
Rental income	15,345			15,345
Investment income	3,125	1,599		4,724
Realized gain on investments		2,693		2,693
Unrealized loss on investments		(15,417)		(15,417)
Outsourced services	8,175			8,175
Miscellaneous	7,811			7,811
	<u>673,504</u>	<u>422,875</u>		<u>1,096,379</u>
 Total support and revenue	 <u>\$ 709,614</u>	 <u>\$ 422,875</u>	 <u>\$ 0</u>	 <u>\$ 1,132,489</u>

**A Better Way Services, Inc.
Family Services of Delaware County Building Corporation
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Six Months Ended June 30, 2008

Federal Grantor/Pass-through Grantor/Program	Federal CFDA Number	Grant Contract Number	Federal Expenditure
Department of Health and Human Services			
Pass-through programs from:			
Indiana Family & Social Services Administration:			
Division of Family and Children:			
Family Violence Protection	93.671	18-07-OT-0656	\$ 36,740
Social Services Block Grants:			
Domestic Violence Shelter	93.667	18-07-5B-0656	17,016
Division of Mental Health:			
Substance Abuse Prevention and Treatment (Note B)	93.959	18-08-SA-0656	360,326
			<hr/>
Total Department of Health and Human Services			414,082
Department of Justice			
Pass-through programs from:			
Indiana Criminal Justice Institute:			
Muncie Police Department - Crime Victim Assistance	16.575	2006-VA-GX-00	56,826
			<hr/>
Total Department of Justice			56,826
Department of Homeland Security			
Pass-through program from:			
United Way of Delaware County:			
Emergency Food and Shelter Program	97.024		6,000

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

Six Months Ended June 30, 2008

Federal Grantor/Pass-through Grantor/Program	Federal CFDA Number	Grant Contract Number	Federal Expenditure
Department of Housing and Urban Development			
Supportive Housing Program	14.235	IN36B402022	84,917
Pass-through programs from:			
Muncie, Indiana Community Development Office:			
Community Development Block Grant:			
Telecare	14.218	287-91-439740	1,400
Children's Programs	14.218	287-91-439752	2,255
Indiana Family & Social Services Administration:			
Division of Family and Children:			
Emergency Shelter	14.231	ES-006-032	3,042
Total Department of Housing and Urban Development			91,614
Department of Education			
Pass-through program from:			
Indiana Department of Education:			
21st Century Community Learning State Grant (Note B)	84.287		266,858
Total expenditures of federal awards			\$ 835,380

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

Six Months Ended June 30, 2008

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A - BASIS OF PRESENTATION

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

NOTE B - SUBRECIPIENTS

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

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided</u>
Substance Abuse Prevention and Treatment Block Grant	93.959	\$245,994
21st Century Community Learning State Grant	84.287	\$0

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

SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS

Six Months Ended June 30, 2008

State Grantor/Program	Grant Contract Number	State Expenditures
State of Indiana		
Pass-through programs from:		
Indiana Family & Social Services Administration:		
Division of Family and Children:		
Domestic Violence Prevention and Treatment	18-07-OF-0656	\$ 13,687
		<hr/>
Total Indiana Family & Social Services Administration		13,687
Indiana Tobacco Use Prevention and Cessation Executive Board		
Indiana Tobacco Use Prevention and Cessation Trust Fund	A5-8-COM18	64,035
		<hr/>
Total Indiana Tobacco Use Prevention and Cessation Executive Board		64,035
		<hr/>
Total expenditures of state awards		\$ 77,722
		<hr/> <hr/>
Local Grantor/Program	Grant Contract Number	Local Expenditures
Delaware County Commissioners:		
Domestic Violence Shelter	N/A	\$ 10,000
		<hr/>
Total expenditures of local awards		\$ 10,000
		<hr/> <hr/>

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Six Months Ended June 30, 2008

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

<u>CFDA #</u>	<u>Name of Program</u>
93.959	Substance Abuse Prevention and Treatment Block Grant
84.287	21 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.

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

COMBINED STATEMENT OF FINANCIAL POSITION BY ENTITY

June 30, 2008

	A Better Way	Building Corporation	Eliminations	Combined
ASSETS				
CURRENT ASSETS				
Cash	\$ 118,905	\$ 74,279		\$ 193,184
Unconditional promises to give	525,569			525,569
Accounts receivable	87,053			87,053
Prepaid expenses	8,640			8,640
Total current assets	740,167	74,279		814,446
PROPERTY, BUILDINGS AND EQUIPMENT				
Buildings and improvements	1,335,462	782,059		2,117,521
Equipment	155,308	20,990		176,298
	1,490,770	803,049		2,293,819
Less accumulated depreciation	231,563	310,801		542,364
Land	1,259,207	492,248 47,500		1,751,455 47,500
	1,259,207	539,748		1,798,955
OTHER ASSETS				
Agency fund	145,752			145,752
Note receivable, Building Corporation	141,860		\$ (141,860)	
	287,612		(141,860)	145,752
	<u>\$ 2,286,986</u>	<u>\$ 614,027</u>	<u>\$ (141,860)</u>	<u>\$ 2,759,153</u>

	<u>A</u> <u>Better Way</u>	<u>Building</u> <u>Corporation</u>	<u>Eliminations</u>	<u>Combined</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Deposits	\$ 1,464			\$ 1,464
Accounts payable	34,262			34,262
Other payables	1,503			1,503
Current maturities of long-term liabilities		\$ 7,028		7,028
Grants payable	53,973			53,973
Accrued and withheld liabilities	64,246			64,246
	<hr/>			<hr/>
Total current liabilities	155,448	7,028		162,476
LONG-TERM LIABILITIES				
Mortgage payable, less current maturities		50,221		50,221
Note payable, A Better Way		141,860	\$ (141,860)	
Contingent liabilities	950,000			950,000
	<hr/>			<hr/>
	950,000	192,081	(141,860)	1,000,221
	<hr/>			<hr/>
Total liabilities	1,105,448	199,109	(141,860)	1,162,697
NET ASSETS				
Unrestricted	561,633	414,918		976,551
Temporarily restricted	535,000			535,000
Permanently restricted	84,905			84,905
	<hr/>			<hr/>
	1,181,538	414,918		1,596,456
	<hr/>			<hr/>
	\$ 2,286,986	\$ 614,027	\$ (141,860)	\$ 2,759,153
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

Six Months Ended June 30, 2008

	A Better Way		
	Unrestricted	Temporarily Restricted	Permanently Restricted
Support and revenue			
Public support	\$ 36,110		
Revenue	662,022	\$ 422,875	
Total support and revenue	698,132	422,875	
Net assets released from restrictions			
Expiration of time/usage restrictions	316,098	(316,098)	
Restrictions satisfied by payments	4,502	(4,502)	
	1,018,732	102,275	
Expenses			
Program services			
A Better Way Shelter	628,170		
Afternoons R.O.C.K.	420,384		
	1,048,554		
Supporting services			
Management and General	110,709		
Total expenses	1,159,263		
INCREASE (DECREASE) IN NET ASSETS	(140,531)	102,275	
Net assets at beginning of period	702,164	432,725	\$ 84,905
Net assets at end of period	\$ 561,633	\$ 535,000	\$ 84,905

Building Corporation			
Unrestricted	Temporarily Restricted	Eliminations	Combined
\$ 19,282		\$ (7,800)	\$ 36,110 1,096,379
19,282		(7,800)	1,132,489
19,282		(7,800)	1,132,489
		(3,000)	625,170
		(2,304)	418,080
		(5,304)	1,043,250
24,693		(2,496)	132,906
24,693		(7,800)	1,176,156
(5,411)			(43,667)
420,329			1,640,123
<u>\$ 414,918</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,596,456</u>

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

COMBINED STATEMENT OF CASH FLOW BY ENTITY

Six Months Ended June 30, 2008

	A Better Way	Building Corporation	Eliminations	Combined
Cash flow from operating activities:				
Decrease in net assets	\$ (38,256)	\$ (5,411)		\$ (43,667)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Depreciation	27,472	13,065		40,537
Realized gain on investments	(2,693)			(2,693)
Unrealized loss on investments	15,417			15,417
(Increase) decrease in assets:				
Unconditional promises to give	(117,902)			(117,902)
Accounts receivable	3,819			3,819
Prepaid expenses	3,501			3,501
Increase (decrease) in liabilities:				
Deposits	(315)			(315)
Accounts payable	34,262			34,262
Other payables	(3,617)			(3,617)
Grants payable	(92,436)			(92,436)
Accrued and withheld liabilities	4,291			4,291
Net cash provided by (used in) operating activities	(166,457)	7,654	\$ 0	(158,803)
Cash flow from investing activities:				
Cash payments for the purchase of property		(5,897)		(5,897)
Net change in investments	(690)			(690)
Net cash used in investing activities	(690)	(5,897)	0	(6,587)
Cash flow from financing activities:				
Principal payments on long-term liabilities		(66,172)		(66,172)
Proceeds from issuance of long-term liabilities		60,000		60,000
Net cash used in financing activities		(6,172)	0	(6,172)
Net decrease in cash and cash equivalents	(167,147)	(4,415)		(171,562)
Cash and cash equivalents at beginning of period	286,050	78,696	0	364,746
Cash and cash equivalents at end of period	<u>\$ 118,903</u>	<u>\$ 74,281</u>	<u>\$ 0</u>	<u>\$ 193,184</u>
Cash paid during the period for interest	<u>\$ 0</u>	<u>\$ 4,587</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

COMBINED STATEMENT OF FUNCTIONAL EXPENSES BY ENTITY

Six Months Ended June 30, 2008

	A Better Way			
	A Better Way Shelter	Afternoons R.O.C.K.	Total Program Services	Management and General
Salaries	\$ 301,707	\$ 63,482	\$ 365,189	\$ 36,802
Employee benefits	86,822	16,110	102,932	12,742
Payroll taxes	23,587	3,655	27,242	3,322
Professional fees	61,397	11,909	73,306	4,120
Supplies	30,227	556	30,783	1,742
Telephone	4,170	1,509	5,679	1,264
Postage	590	145	735	243
Occupancy	27,679	2,794	30,473	3,075
Equipment rental and maintenance	5,274	691	5,965	266
Printing and publications	300		300	
Conferences and training workshops	440	7,296	7,736	60
Interest				
Employee allowance	547	820	1,367	55
Membership dues	880		880	
Advertising	259	487	746	349
Insurance	19,560	1,589	21,149	4,829
Grants		273,621	273,621	
Fund raising				32,005
Program materials	26,806	32,365	59,171	
Program transportation	18,865	3,355	22,220	
Miscellaneous	958		958	465
Total expenses before depreciation	610,068	420,384	1,030,452	101,339
Depreciation	18,102		18,102	9,370
Total expenses	\$ 628,170	\$ 420,384	\$ 1,048,554	\$ 110,709

Building Corporation		
Management and General	Eliminations	Combined
		\$ 401,991
		115,674
		30,564
		77,426
		32,525
		6,943
		978
\$ 7,041	\$ (7,800)	25,748
		13,272
		300
		7,796
4,587		4,587
		1,422
		880
		1,095
		25,978
		273,621
		32,005
		59,171
		22,220
		1,423
11,628	(7,800)	1,135,619
13,065		40,537
\$ 24,693	\$ (7,800)	\$ 1,176,156

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

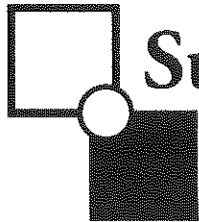
COMBINED STATEMENT OF SUPPORT AND REVENUE BY ENTITY

Six Months Ended June 30, 2008

	A Better Way		
	Unrestricted	Temporarily Restricted	Permanently Restricted
Support			
Public support			
Contributions	\$ 36,110		
	<u>36,110</u>		
Revenue			
Community Development Block Grant	406		
Criminal Justice Grant	42,270		
Division of Addiction Services	364,800		
Domestic Violence Grant	1,981		
Emergency Shelters Grant	207		
Family Violence Grant	39,310		
Federal Emergency Management Agency Grant	6,000		
Social Services Block Grant	6,096		
21st Century Community Learning State Grant	26,000	\$ 434,000	
US Dept. of Housing and Urban Development	90,585		
Program service fees	61,393		
Rental income	4,565		
Investment income	2,423	1,599	
Realized gain on investments		2,693	
Unrealized loss on investments		(15,417)	
Outsourced services	8,175		
Miscellaneous	7,811		
	<u>662,022</u>	<u>422,875</u>	
 Total support and revenue	 <u>\$ 698,132</u>	 <u>\$ 422,875</u>	 <u>\$ 0</u>

Building Corporation			
Unrestricted	Temporarily Restricted	Eliminations	Combined
			\$ 36,110
			36,110
			406
			42,270
			364,800
			1,981
			207
			39,310
			6,000
			6,096
			460,000
			90,585
			61,393
\$ 18,580		\$ (7,800)	15,345
702			4,724
			2,693
			(15,417)
			8,175
			7,811
19,282		(7,800)	1,096,379
\$ 19,282	\$ 0	\$ (7,800)	\$ 1,132,489

SPECIAL REPORTS



Summers, Carroll, Whisler *LLC*

Certified Public Accountants

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

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

We have audited the combined financial statements of A Better Way Services, Inc. (a nonprofit organization) and affiliate as of and for the six months ended June 30, 2008, and have issued our report thereon dated December 29, 2008. 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. The financial statements of Family Services of Delaware County Building Corporation (affiliate) were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether A Better Way Services, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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*.

We noted certain other matters that we reported to management of A Better Way Services, Inc. in separate letters dated January 24, 2009.

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

Summons, Carroll, Whisler L L C

Muncie, Indiana
December 29, 2008



Summers, Carroll, Whisler *LLC*

Certified Public Accountants

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of A Better Way Services, Inc. (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the six months ended June 30, 2008. A Better Way Services, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of A Better Way Services, Inc.'s management. Our responsibility is to express an opinion on A Better Way Services, Inc.'s compliance based on our audit.

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. Our audit does not provide a legal determination of A Better Way Services, Inc.'s compliance with those requirements.

In our opinion, A Better Way Services, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the six months ended June 30, 2008.

Internal Control Over Compliance

The management of A Better Way Services, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered A Better Way Services, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

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

Summus, Carroll, Whisler & Co

Muncie, Indiana
December 29, 2008



Summers, Carroll, Whisler *LLC*

Certified Public Accountants

January 24, 2009

To the Board of Directors and Teresa Clemmons, Executive Director
of A Better Way Services, Inc.

In planning and performing our audit of the financial statements of A Better Way Services, Inc. as of and for the six months ended June 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered A Better Way Services, Inc.'s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.

However, during our audit we became aware of a matter that is an opportunity for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comment and suggestions regarding this matter. A separate report dated January 24, 2009 contains our report on significant deficiencies in the Organization's internal control. This letter does not affect our report dated December 29, 2008 on the financial statements of A Better Way Services, Inc.

We communicated this comment to you and various Organization personnel following our previous audit engagement for the year ended December 31, 2007, for which we issued our report in June 2008. Timing between the issuance of that report and the period ending date of this audit engagement did not allow Organization personnel the opportunity to put into place this previous recommendation. We will review the status of this comment during our next audit engagement. We have already discussed this comment and suggestions with various Organization personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,

Summers, Carroll, Whisler LLC

Management Letter Points

Segregate All Extension Program Expenses

One of A Better Way Services, Inc.'s major programs is its Afternoons R.O.C.K. program. As the recipient of federal monies for this program, grant compliance requires A Better Way Services, Inc.'s Role Players personnel run at least one extension program themselves for each of their two designated service areas per each session. Role Players personnel runs more than the minimum required extension programs in order to fulfill additional grant compliance requirements and meet the needs of the counties they serve. Many of the costs attributed to Role Players' extension program are recorded in the bookkeeping software of A Better Way Services, Inc. under a separate subset of the expense accounts designated for the extension program (subset 46). However, most of the allocated overhead and administrative costs allowable to the extension program are not segregated into these subset expense accounts. In order to more easily trace and tie the extension program's direct and allocated expenses to ensure compliance with the extension program's allowable expenses, we suggest that all allocated overhead and administrative costs be recorded separately in the bookkeeping software into the extension program's subset expense accounts (subset 46).

The change in recording these expenses would not affect A Better Way Services, Inc.'s changes in net assets, but would enable A Better Way Services, Inc.'s management and Role Players personnel to evaluate costs related to the extension program more readily and serve as an additional internal control monitoring procedure when comparing bookkeeping's recorded expenses for the extension program with the spreadsheet of extension program expenses maintained by Role Players personnel.



Summers, Carroll, Whisler *LLC*

Certified Public Accountants

To the Board of Directors and Teresa Clemmons, Executive Director
of A Better Way Services, Inc.

In planning and performing our audit of the financial statements of A Better Way Services, Inc. as of and for the six months ended June 30, 2008, in accordance with U.S. generally accepted auditing standards, we considered A Better Way Services, Inc.'s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control. We consider the following deficiencies to be significant deficiencies in internal control.

Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial position, results of operations, cash flow, and disclosures in the financial statements, in conformity with U.S. generally accepted accounting principles (GAAP). As part of the audit, management requested us to prepare a draft of your financial statements, including the related footnote disclosures. The outsourcing of these services is not unusual in organizations of your size and is a result of management's cost benefit decision to rely on our accounting expertise rather than incurring this internal resource cost. Management reviewed, approved, and accepted responsibility for those financial statements prior to their issuance; however, management does not have the ability to evaluate the completeness of financial statement disclosures. The absence of this control procedure is considered a significant deficiency because the potential exists that a more than inconsequential but less than material misstatement of the financial

statements could occur and not be prevented or detected by the Organization's internal control. In addition, we noted other matters involving the internal control and its operation that we have reported to management of A Better Way Services, Inc. in a separate letter dated January 24, 2009.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Summers, Carroll, Whisler LLC

Muncie, Indiana
January 24, 2009