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April 13, 2018

Board of Directors  
A Better Way Services, Inc.  
307 E. Charles St.  
Muncie, IN 47305

We have reviewed the report prepared by A Better Way Services, Inc. and opined upon by Kemper CPA Group LLP, Independent Public Accountants, for the period July 1, 2016 to June 30, 2017. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition A Better Way Services, Inc. as of June 30, 2017 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Kemper CPA Group LLP prepared all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

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

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

**A BETTER WAY SERVICES, INC. AND  
FAMILY SERVICES OF DELAWARE COUNTY  
BUILDING CORPORATION**

**INDEPENDENT AUDITOR'S REPORT  
AND  
COMBINED AUDITED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
JUNE 30, 2017 AND 2016**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
A Better Way Services, Inc.

We have audited the accompanying combined financial statements of A Better Way Services, Inc. (a nonprofit Corporation) and its affiliate Family Services of Delaware County Building Corporation (a nonprofit Corporation), which comprise the combined statements of financial position as of June 30, 2017 and 2016, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of A Better Way Services, Inc. and its affiliate as of June 30, 2017 and 2016, and the combined changes in its net assets and its combined cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Organizations' basic financial statements. The combining statements of financial position, activities, functional expenses, cash flows and support and revenue are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic 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 January 12, 2018, on our consideration of A Better Way Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering A Better Way Services, Inc.'s internal control over financial reporting and compliance.



Kemper CPA Group, LLP  
Avon, Indiana  
January 12, 2018

**A BETTER WAY SERVICES, INC. AND  
FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION  
COMBINED STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2017 AND 2016**

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
Cash	\$ 261,816	\$ 279,706
Grants receivable	183,492	95,708
Prepaid expenses	2,163	7,432
Property, buildings, and equipment, net	1,314,948	1,374,081
Beneficial interest in investments held by others	145,692	130,082
<b>Total Assets</b>	<b>\$ 1,908,111</b>	<b>\$ 1,887,009</b>
 <b>LIABILITIES</b>		
Deposits	\$ 1,677	\$ 1,967
Accounts payable	8,133	461
Accrued and withheld liabilities	88,339	68,341
<b>Total Liabilities</b>	<b>98,149</b>	<b>70,769</b>
 <b>NET ASSETS</b>		
Unrestricted	1,809,962	1,816,240
<b>Total Net Assets</b>	<b>1,809,962</b>	<b>1,816,240</b>
 <b>Total Liabilities and Net Assets</b>	 <b>\$ 1,908,111</b>	 <b>\$ 1,887,009</b>

The accompanying notes are an integral part of the financial statements.

**A BETTER WAY SERVICES, INC. AND  
FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION  
COMBINED STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>			<u>2016</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
<b>REVENUES</b>						
Public support	\$ 272,823	\$ -	\$ 272,823	\$ 333,154	\$ -	\$ 333,154
Grants	1,551,384	-	1,551,384	1,155,796	-	1,155,796
Rental income	1,710	-	1,710	2,470	-	2,470
Investment income (loss), net	15,784	-	15,784	(4,588)	-	(4,588)
Other	16,176	-	16,176	24,262	-	24,262
Net assets released from restrictions	-	-	-	22,096	(22,096)	-
<b>Total revenues</b>	<u>1,857,877</u>	<u>-</u>	<u>1,857,877</u>	<u>1,533,190</u>	<u>(22,096)</u>	<u>1,511,094</u>
<b>EXPENSES</b>						
Program services	1,731,428	-	1,731,428	1,381,736	-	1,381,736
Supporting services						
Management and general	118,744	-	118,744	123,117	-	123,117
Fundraising	13,983	-	13,983	25,429	-	25,429
<b>Total expenses</b>	<u>1,864,155</u>	<u>-</u>	<u>1,864,155</u>	<u>1,530,282</u>	<u>-</u>	<u>1,530,282</u>
<b>Change in net assets</b>	(6,278)	-	(6,278)	2,908	(22,096)	(19,188)
<b>NET ASSETS - beginning of year</b>	<u>1,816,240</u>	<u>-</u>	<u>1,816,240</u>	<u>1,813,332</u>	<u>22,096</u>	<u>1,835,428</u>
<b>NET ASSETS - end of year</b>	<u>\$ 1,809,962</u>	<u>\$ -</u>	<u>\$ 1,809,962</u>	<u>\$ 1,816,240</u>	<u>\$ -</u>	<u>\$ 1,816,240</u>

The accompanying notes are an integral part of the financial statements.

**A BETTER WAY SERVICES, INC. AND  
FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION  
COMBINED STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>				<u>2016</u>			
	<u>Programs</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	<u>Programs</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 1,060,287	\$ 65,095	\$ 1,743	\$ 1,127,125	\$ 862,577	\$ 69,741	\$ 12,466	\$ 944,784
Employee benefits	137,563	7,134	562	145,259	102,291	8,828	1,802	112,921
Payroll taxes	79,264	5,975	138	85,377	63,585	5,168	795	69,548
Professional fees	76,685	3,210	-	79,895	73,093	4,416	-	77,509
Supplies	72,974	971	5,586	79,531	38,759	1,482	5,448	45,689
Telephone	9,874	1,984	-	11,858	7,235	2,042	-	9,277
Postage	338	710	98	1,146	556	907	98	1,561
Occupancy	69,513	558	-	70,071	61,734	698	76	62,508
Equipment rental and maintenance	21,635	2,585	-	24,220	20,074	1,896	-	21,970
Publications and subscriptions	-	22	-	22	-	99	-	99
Conferences and training workshops	23,709	87	-	23,796	1,631	90	-	1,721
Transportation	22,416	66	-	22,482	10,275	139	-	10,414
Membership dues	2,167	-	-	2,167	2,014	-	55	2,069
Insurance	54,216	6,423	128	60,767	44,788	4,816	251	49,855
Food	18,310	39	2,249	20,598	18,650	-	3,063	21,713
Miscellaneous	9,471	2,978	3,479	15,928	5,831	1,888	1,375	9,094
Total expenses before depreciation	<u>1,658,422</u>	<u>97,837</u>	<u>13,983</u>	<u>1,770,242</u>	<u>1,313,093</u>	<u>102,210</u>	<u>25,429</u>	<u>1,440,732</u>
Depreciation	<u>73,006</u>	<u>20,907</u>	<u>-</u>	<u>93,913</u>	<u>68,643</u>	<u>20,907</u>	<u>-</u>	<u>89,550</u>
<b>Total functional expenses</b>	<u><u>\$ 1,731,428</u></u>	<u><u>\$ 118,744</u></u>	<u><u>\$ 13,983</u></u>	<u><u>\$ 1,864,155</u></u>	<u><u>\$ 1,381,736</u></u>	<u><u>\$ 123,117</u></u>	<u><u>\$ 25,429</u></u>	<u><u>\$ 1,530,282</u></u>

The accompanying notes are an integral part of the financial statements.

**A BETTER WAY SERVICES, INC. AND  
FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION  
COMBINED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (6,278)	\$ (19,188)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	93,913	89,550
Loss on disposal of assets	564	-
Realized gain on beneficial interest in investments held by others	(734)	(5,018)
Unrealized (gain) loss on beneficial interest in investments held by others	(11,726)	11,289
(Increase) Decrease in assets:		
Accounts receivable	(87,784)	9,208
Prepaid expenses	5,269	-
Increase (Decrease) in liabilities:		
Deposits	(290)	593
Accounts payable	7,672	(659)
Accrued and withheld liabilities	19,998	23,992
<b>Net Cash Provided by Operating Activities</b>	<u>20,604</u>	<u>109,767</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash payments for the purchase of property	(35,344)	(35,225)
Net change in beneficial interest in investments held by others	(3,150)	(1,555)
<b>Net Cash Used by Investing Activities</b>	<u>(38,494)</u>	<u>(36,780)</u>
<b>Net Increase (Decrease) in Cash</b>	(17,890)	72,987
<b>CASH - Beginning of Year</b>	<u>279,706</u>	<u>206,719</u>
<b>CASH - End of Year</b>	<u>\$ 261,816</u>	<u>\$ 279,706</u>

The accompanying notes are an integral part of the financial statements.

**A BETTER WAY SERVICES, INC. AND  
FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

**Note 1 – NATURE OF OPERATIONS**

A Better Way Services, Inc. (A Better Way) brings peace to homes, strength to individuals and families, and positive impact to community, through prevention and crisis intervention. Services provided by A Better Way's programs support persons in crisis, including domestic violence, sexual assault, suicidal thoughts, as well as at-risk youth. Financial support for these services consist primarily of grants and donations from private and public organizations and individuals.

For the year ended June 30, 2017, A Better Way's major program (as relative to federal awards) is its 21<sup>st</sup> Century Community Learning Program within A Better Way programs. The majority of the funding for this program consists of grant monies from the Department of Education which is passed through from the Indiana Department of Education. This program provides services to individuals in Delaware County, Indiana. For the year ended June 30, 2016, A Better Way's major program is its Victim Crime Assistance Program within A Better Way programs. The majority of the funding for this program consists of grant monies from the Department of Justice which is passed through from the Indiana Criminal Justice Institute. This program provides services to individuals in Delaware County, Indiana.

Family Services of Delaware County Building Corporation (Building Corporation) was organized in 1991 for the exclusive purpose of holding title to property for use by A Better Way Services, Inc. Subsequently, the holding of titles to property was split between A Better Way and the Building Corporation. All titles related to land, building and improvements to the existing structures were continued to be held by the Building Corporation. All titles related to the addition of the Passage Way building, improvements, furniture and fixtures are held by A Better Way.

**Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

*Cash and Cash Equivalents* – The Organizations maintain cash in accounts at local financial institutions which are insured by the FDIC. 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.

*Grants 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 debt expense. Amounts written-off to bad debt expense have been immaterial to the financial statements.

**A BETTER WAY SERVICES, INC. AND  
FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

**Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Beneficial Interest in Investments Held by Others* – These assets, or investments, are recorded at their fair market value. Increases and decreases in the fair market value of the assets are recorded in revenue and expenses.

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

*Public Support and Revenue* – In accordance with GAAP, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Grant revenue that is restricted by the grantor is reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the grant revenue is recognized. All other donor-restricted support is reported as increases in temporarily or permanently restricted net assets depending on the nature of restrictions. When the restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

*Donated Materials and Services* – Donated materials and equipment and donated services requiring specialized skills, when received and measurable, are reflected as contributions in the accompanying financial statements at their estimated fair market value when received.

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

*Income Tax Status* – A Better Way is a non-profit organization exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. The Building Corporation is an organization exempt under Section 501(c)(2) of the Internal Revenue Code. Therefore, no provision or liability for income taxes has been included in the financial statements. There was no unrelated business income for the years ended June 30, 2017 and 2016.

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

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

**A BETTER WAY SERVICES, INC. AND  
FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

**Note 3 – BENEFICIAL INTEREST IN INVESTMENT HELD BY OTHERS**

An endowment fund is deposited with the Community Foundation of Muncie and Delaware County, Inc. (The Community Foundation) to benefit A Better Way Programs. Distributions available to A Better Way programs are based on the spending policy of The Community Foundation. Under this policy, a percentage of historical market value of the investments of the fund are allocated annually for distributions and grants used for the support of the charitable or educational purposes of A Better Way. Any investment earnings are invested back into the respective accounts. There were no additional transfers or distributions made for the years ended June 30, 2017 and 2016. At June 30, 2017 and 2016, \$41,416 and \$35,642, respectively, of spendable funds were available for withdrawal.

For the years ending June 30, 2017 and 2016, the Organization had the following Fund activities:

	<b>The Community Foundation</b>
<b>Endowment assets, June 30, 2015</b>	\$ 134,797
Interest and dividends	3,085
Realized gains	5,018
Unrealized losses	(11,289)
Investment expenses	(1,529)
<b>Endowment assets, June 30, 2016</b>	\$ 130,082
Interest and dividends	4,789
Realized gains	734
Unrealized gains	11,726
Investment expenses	(1,639)
<b>Endowment assets, June 30, 2017</b>	<u>\$ 145,692</u>

**Note 4 – ENDOWMENT ACCOUNT**

A Better Way is the beneficiary of an endowment account established with The Community Foundation of Muncie and Delaware County, Inc. Funds from this endowment are made available to A Better Way as allocated by The Community Foundation. The balance in this account at June 30, 2017 was \$57,473 with an available spending balance of \$8,354. The balance in this account at June 30, 2016 was \$49,409, with an available spending balance of \$6,416. There were no distributions received from this fund for the years ended June 30, 2017 and 2016.

**A BETTER WAY SERVICES, INC. AND  
FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

**Note 5 – PROPERTY, BUILDINGS, AND EQUIPMENT**

Property, buildings, and equipment comprised the following at June 30:

	<u>2017</u>	<u>2016</u>
Buildings, land and improvements	\$ 2,257,475	\$ 2,249,771
Furniture and equipment	219,042	226,074
Vehicles	82,053	69,253
	<u>2,558,570</u>	<u>2,545,098</u>
Accumulated depreciation	(1,243,622)	(1,171,017)
	<u>\$ 1,314,948</u>	<u>\$ 1,374,081</u>

Depreciation expense for the years ended June 30, 2017 and 2016 was \$93,913 and \$89,550, respectively.

**Note 6 – COMPENSATED ABSENCES**

Accrued vacation included in the financial statements for the years ended June 30, 2017 and 2016 was \$42,493 and \$31,296, respectively.

**Note 7 – TEMPORARILY RESTRICTED NET ASSETS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2017</u>	<u>2016</u>
Released for project expenditures	\$ -	\$ 22,096
Net assets released from restrictions	<u>\$ -</u>	<u>\$ 22,096</u>

**Note 8 – PENSION PLANS**

A Better Way maintains two defined-contribution pension plans and substantially all employees who work 1,000 hours of more in a calendar year are eligible to participate. The tax deferred annuity plan has voluntary employee contributions. The basic plan requires an employer contributions equal to 6% of participating employees' compensation. Pension expense for the years ended June 30, 2017 and 2016 amounted to \$46,895 and \$36,392, respectively.

**Note 9 – DONATED SERVICES**

A Better Way receives a significant amount of donated services from unpaid volunteers who provide various assistance with A Better Way programs. No amounts have been recognized in the statements of activities because these services do not meet the criteria for recognition as contributed services. The total value of services received has been calculated by management using an estimated hourly rate. The 8,174 total volunteer hours received for the year ended June 30, 2017 has an estimated fair value of \$182,596. The 7,082 total volunteer hours received for the year ended June 30, 2016 has an estimated fair value of \$158,212. The hours and estimated fair values of services presented are unaudited amounts provided by management.

**A BETTER WAY SERVICES, INC. AND  
FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

**Note 10 – EXISTENCE OF CONCENTRATION AND CREDIT RISK**

A Better Way Services, Inc. received approximately 18% and 22% of total support for the year ended June 30, 2017 from grants authorized by the Department of Education and Department of Justice, respectively; while approximately 19% and 30% of the Organization’s support for the year ended June 30, 2016 came from grants authorized by the Department of Education and the Department of Justice, respectively. In the event that this support were to be eliminated, it is likely that A Better Way Services, Inc. would need to reduce its current operations.

**Note 11 – FAIR VALUE MEASUREMENTS**

The Organization uses appropriate valuation techniques based on the available inputs to measure fair value of its investments using a fair value hierarchy of three broad levels, Level 1, Level 2 and Level 3 that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

*Level 1 Fair Value Measurements* – Fair values are based on quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date. The Organization did not have investments using Level 1 fair value measurement for the years ended June 30, 2017 and 2016.

*Level 2 Fair Value Measurements* – Fair values are based on inputs such as quoted prices for similar assets, or inputs that are observable, either directly, or indirectly for substantially the full term through corroboration with observable market data. The Organization did not have any investments using Level 2 fair value measurement for years ended June 30, 2017 and 2016.

*Level 3 Fair Value Measurements* – Fair values are based on unobservable input used for valuing the asset or liability. Unobservable inputs are those that reflect the plan’s own assumptions about the assumption that market participants would use in pricing the asset, based on the best information available in the circumstances.

The following tables present the fair value measurement of assets and liabilities recognized in the accompanying statements of financial positions measured at fair value on a recurring basis and the level with the fair value hierarchy in which fair value measurements fall as of June 30:

<u>June 30, 2017</u>	<u>Fair Value</u>	<u>Unobservable Inputs Used to Determine Price (Level 3)</u>
Beneficial Interest in Assets Held by Others	\$ 145,692	\$ 145,692
	<u>\$ 145,692</u>	<u>\$ 145,692</u>
<u>June 30, 2016</u>		
Beneficial Interest in Assets Held by Others	\$ 130,082	\$ 130,082
	<u>\$ 130,082</u>	<u>\$ 130,082</u>

**A BETTER WAY SERVICES, INC. AND  
FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

**Note 11 – FAIR VALUE MEASUREMENTS (Continued)**

The beneficial interest in assets held by others has been classified as Level 3 due to the limited number of inputs available to the Foundation in determining fair value. A reconciliation of activity for the years ended June 30, 2017 and 2016 is as follows:

	<u>2017</u>	<u>2016</u>
Beginning balance	\$ 130,082	\$ 134,797
Interest and dividends	4,789	3,085
Realized gains	734	5,018
Unrealized gains (losses)	11,726	(11,289)
Investment expenses	(1,639)	(1,529)
Ending balance	<u>\$ 145,692</u>	<u>\$ 130,082</u>

Beneficial interest in assets held by others is measured at fair value with a valuation technique utilizing market prices at the close of the last day for the statement period, provided, which approximates estimated future cash flows to the Organization at June 30, 2017 and 2016.

**Note 12 - SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through January 12, 2018, which is the date financial statements were available to be issued. No material subsequent events were identified which would require disclosure and/or adjustment to the financial statements as of June 30, 2017.

**SUPPLEMENTARY INFORMATION**

**A BETTER WAY SERVICES, INC. AND  
FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION  
COMBINING STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2017 AND 2016**

	<u>2017</u>				<u>2016</u>			
	<u>A Better Way</u>	<u>Building Corporation</u>	<u>Eliminations</u>	<u>Combined</u>	<u>A Better Way</u>	<u>Building Corporation</u>	<u>Eliminations</u>	<u>Combined</u>
<b>ASSETS</b>								
Cash	\$ 212,266	\$ 49,550	\$ -	\$ 261,816	\$ 222,286	\$ 57,420	\$ -	\$ 279,706
Accounts receivable	183,492	-	-	183,492	95,708	-	-	95,708
Prepaid expenses	2,163	-	-	2,163	7,432	-	-	7,432
Property, buildings, and equipment, net	999,072	315,876	-	1,314,948	1,034,629	339,452	-	1,374,081
Beneficial interest in investments held by others	145,692	-	-	145,692	130,082	-	-	130,082
Note receivable, Building Corporation	117,371	-	(117,371)	-	117,371	-	(117,371)	-
<b>Total Assets</b>	<u>\$ 1,660,056</u>	<u>\$ 365,426</u>	<u>\$ (117,371)</u>	<u>\$ 1,908,111</u>	<u>\$ 1,607,508</u>	<u>\$ 396,872</u>	<u>\$ (117,371)</u>	<u>\$ 1,887,009</u>
<b>LIABILITIES AND NET ASSETS</b>								
Deposits	\$ 1,677	\$ -	\$ -	\$ 1,677	\$ 1,967	\$ -	\$ -	\$ 1,967
Accounts payable	8,133	-	-	8,133	461	-	-	461
Accrued and withheld liabilities	88,339	-	-	88,339	68,341	-	-	68,341
Note payable, A Better Way	-	117,371	(117,371)	-	-	117,371	(117,371)	-
<b>Total Liabilities</b>	<u>98,149</u>	<u>117,371</u>	<u>(117,371)</u>	<u>98,149</u>	<u>70,769</u>	<u>117,371</u>	<u>(117,371)</u>	<u>70,769</u>
<b>NET ASSETS</b>								
Unrestricted	1,561,907	248,055	-	1,809,962	1,536,739	279,501	-	1,816,240
Temporarily restricted	-	-	-	-	-	-	-	-
<b>Total Net Assets</b>	<u>1,561,907</u>	<u>248,055</u>	<u>-</u>	<u>1,809,962</u>	<u>1,536,739</u>	<u>279,501</u>	<u>-</u>	<u>1,816,240</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 1,660,056</u>	<u>\$ 365,426</u>	<u>\$ (117,371)</u>	<u>\$ 1,908,111</u>	<u>\$ 1,607,508</u>	<u>\$ 396,872</u>	<u>\$ (117,371)</u>	<u>\$ 1,887,009</u>

**A BETTER WAY SERVICES, INC. AND  
FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION  
COMBINING STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

	2017					2016				
	A Better Way		Building	Eliminations	Combined	A Better Way		Building	Eliminations	Combined
	Unrestricted	Temporarily Restricted	Corporation Unrestricted			Unrestricted	Temporarily Restricted	Corporation Unrestricted		
<b>Support and Revenue</b>										
Public support	\$ 272,823	\$ -	\$ -	\$ -	\$ 272,823	\$ 333,154	\$ -	\$ -	\$ -	\$ 333,154
Revenue	1,585,032	-	6,022	(6,000)	1,585,054	1,177,909	-	6,031	(6,000)	1,177,940
<b>Total Support and Revenue</b>	<u>1,857,855</u>	<u>-</u>	<u>6,022</u>	<u>(6,000)</u>	<u>1,857,877</u>	<u>1,511,063</u>	<u>-</u>	<u>6,031</u>	<u>(6,000)</u>	<u>1,511,094</u>
<b>Net assets released from restrictions</b>	-	-	-	-	-	22,096	(22,096)	-	-	-
	<u>1,857,855</u>	<u>-</u>	<u>6,022</u>	<u>(6,000)</u>	<u>1,857,877</u>	<u>1,533,159</u>	<u>(22,096)</u>	<u>6,031</u>	<u>(6,000)</u>	<u>1,511,094</u>
<b>Expenses</b>										
Program services	1,699,960	-	37,468	(6,000)	1,731,428	1,346,189	-	41,547	(6,000)	1,381,736
Management and General	118,744	-	-	-	118,744	123,117	-	-	-	123,117
Fundraising	13,983	-	-	-	13,983	25,429	-	-	-	25,429
<b>Total Expenses</b>	<u>1,832,687</u>	<u>-</u>	<u>37,468</u>	<u>(6,000)</u>	<u>1,864,155</u>	<u>1,494,735</u>	<u>-</u>	<u>41,547</u>	<u>(6,000)</u>	<u>1,530,282</u>
<b>Change in Net Assets</b>	25,168	-	(31,446)	-	(6,278)	38,424	(22,096)	(35,516)	-	(19,188)
<b>Net Assets - beginning of year</b>	<u>1,536,739</u>	<u>-</u>	<u>279,501</u>	<u>-</u>	<u>1,816,240</u>	<u>1,498,315</u>	<u>22,096</u>	<u>315,017</u>	<u>-</u>	<u>1,835,428</u>
<b>Net Assets - end of year</b>	<u>\$ 1,561,907</u>	<u>\$ -</u>	<u>\$ 248,055</u>	<u>\$ -</u>	<u>\$ 1,809,962</u>	<u>\$ 1,536,739</u>	<u>\$ -</u>	<u>\$ 279,501</u>	<u>\$ -</u>	<u>\$ 1,816,240</u>

**A BETTER WAY SERVICES, INC. AND  
FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION  
COMBINING STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>				<u>2016</u>			
	<u>A Better Way</u>	<u>Building Corporation</u>	<u>Eliminations</u>	<u>Combined</u>	<u>A Better Way</u>	<u>Building Corporation</u>	<u>Eliminations</u>	<u>Combined</u>
<b>Cash flow from operating activities:</b>								
Increase (Decrease) in net assets	\$ 25,168	\$ (31,446)	\$ -	\$ (6,278)	\$ 16,328	\$ (35,516)	\$ -	\$ (19,188)
Adjustments to reconcile change in net assets to net cash provided by operating activities:								
Depreciation	65,854	28,059	-	93,913	61,491	28,059	-	89,550
Loss on disposal of assets	564	-	-	564	-	-	-	-
Realized gain on beneficial interest in investments held by others	(734)	-	-	(734)	(5,018)	-	-	(5,018)
Unrealized (gain) loss on beneficial interest in investments held by others	(11,726)	-	-	(11,726)	11,289	-	-	11,289
(Increase) Decrease in assets:								
Accounts receivable	(87,784)	-	-	(87,784)	9,208	-	-	9,208
Prepaid expenses	5,269	-	-	5,269	-	-	-	-
Increase (Decrease) in liabilities:								
Deposits	(290)	-	-	(290)	593	-	-	593
Accounts payable	7,672	-	-	7,672	(659)	-	-	(659)
Accrued and withheld liabilities	19,998	-	-	19,998	23,992	-	-	23,992
<b>Net cash provided (used) by operating activities</b>	<u>23,991</u>	<u>(3,387)</u>	<u>-</u>	<u>20,604</u>	<u>117,224</u>	<u>(7,457)</u>	<u>-</u>	<u>109,767</u>
<b>Cash flow from investing activities:</b>								
Cash payments for the purchase of property	(30,861)	(4,483)	-	(35,344)	(29,342)	(5,883)	-	(35,225)
Net change in beneficial interest in investments held by others	(3,150)	-	-	(3,150)	(1,555)	-	-	(1,555)
<b>Net cash used by investing activities</b>	<u>(34,011)</u>	<u>(4,483)</u>	<u>-</u>	<u>(38,494)</u>	<u>(30,897)</u>	<u>(5,883)</u>	<u>-</u>	<u>(36,780)</u>
<b>Net increase (decrease) in cash</b>	(10,020)	(7,870)	-	(17,890)	86,327	(13,340)	-	72,987
<b>Cash - beginning of year</b>	<u>222,286</u>	<u>57,420</u>	<u>-</u>	<u>279,706</u>	<u>135,959</u>	<u>70,760</u>	<u>-</u>	<u>206,719</u>
<b>Cash - end of year</b>	<u>\$ 212,266</u>	<u>\$ 49,550</u>	<u>\$ -</u>	<u>\$ 261,816</u>	<u>\$ 222,286</u>	<u>\$ 57,420</u>	<u>\$ -</u>	<u>\$ 279,706</u>

**A BETTER WAY SERVICES, INC.**  
**FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION**  
**COMBINING STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

2017

	<u>A Better Way</u>			<u>Building</u>	<u>Eliminations</u>	<u>Combined</u>
	<u>A Better Way</u>	<u>Management</u>	<u>Fundraising</u>	<u>Corporation</u>		
	<u>Programs</u>	<u>and General</u>		<u>Programs</u>		
Salaries	\$ 1,060,287	\$ 65,095	\$ 1,743	\$ -	\$ -	\$ 1,127,125
Employee benefits	137,563	7,134	562	-	-	145,259
Payroll taxes	79,264	5,975	138	-	-	85,377
Professional fees	75,400	3,210	-	1,285	-	79,895
Supplies	72,974	971	5,586	-	-	79,531
Telephone	9,874	1,984	-	-	-	11,858
Postage	338	710	98	-	-	1,146
Occupancy	72,689	558	-	2,824	(6,000)	70,071
Equipment rental and maintenance	19,719	2,585	-	1,916	-	24,220
Publications and subscriptions	-	22	-	-	-	22
Conferences and training workshops	23,709	87	-	-	-	23,796
Transportation	22,416	66	-	-	-	22,482
Membership dues	2,167	-	-	-	-	2,167
Insurance	52,164	6,423	128	2,052	-	60,767
Food	18,310	39	2,249	-	-	20,598
Miscellaneous	8,139	2,978	3,479	1,332	-	15,928
Total expenses before depreciation	1,655,013	97,837	13,983	9,409	(6,000)	1,770,242
Depreciation	44,947	20,907	-	28,059	-	93,913
<b>Total Expenses</b>	<b><u>\$ 1,699,960</u></b>	<b><u>\$ 118,744</u></b>	<b><u>\$ 13,983</u></b>	<b><u>\$ 37,468</u></b>	<b><u>\$ (6,000)</u></b>	<b><u>\$ 1,864,155</u></b>

**A BETTER WAY SERVICES, INC.**  
**FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION**  
**COMBINING STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**2016**

	<u>A Better Way</u>			<u>Building</u>	<u>Eliminations</u>	<u>Combined</u>
	<u>A Better Way</u>	<u>Management</u>	<u>Fundraising</u>	<u>Corporation</u>		
	<u>Programs</u>	<u>and General</u>		<u>Programs</u>		
Salaries	\$ 862,577	\$ 69,741	\$ 12,466	\$ -	\$ -	\$ 944,784
Employee benefits	102,291	8,828	1,802	-	-	112,921
Payroll taxes	63,585	5,168	795	-	-	69,548
Professional fees	72,343	4,416	-	750	-	77,509
Supplies	38,047	1,482	5,448	712	-	45,689
Telephone	7,235	2,042	-	-	-	9,277
Postage	556	907	98	-	-	1,561
Occupancy	64,712	698	76	3,022	(6,000)	62,508
Equipment rental and maintenance	15,694	1,896	-	4,380	-	21,970
Printing and publications	-	99	-	-	-	99
Conferences and training workshops	1,631	90	-	-	-	1,721
Transportation	10,275	139	-	-	-	10,414
Membership dues	2,014	-	55	-	-	2,069
Insurance	41,089	4,816	251	3,699	-	49,855
Food	18,650	-	3,063	-	-	21,713
Transportation	-	-	-	-	-	-
Miscellaneous	4,906	1,888	1,375	925	-	9,094
Total expenses before depreciation	<u>1,305,605</u>	<u>102,210</u>	<u>25,429</u>	<u>13,488</u>	<u>(6,000)</u>	<u>1,440,732</u>
Depreciation	<u>40,584</u>	<u>20,907</u>	<u>-</u>	<u>28,059</u>	<u>-</u>	<u>89,550</u>
<b>Total Expenses</b>	<u><u>\$ 1,346,189</u></u>	<u><u>\$ 123,117</u></u>	<u><u>\$ 25,429</u></u>	<u><u>\$ 41,547</u></u>	<u><u>\$ (6,000)</u></u>	<u><u>\$ 1,530,282</u></u>

**A BETTER WAY SERVICES, INC. AND  
FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION  
COMBINING STATEMENT OF SUPPORT AND REVENUE  
FOR THE YEAR ENDED JUNE 30, 2017**

	2017					
	<u>A Better Way</u>		<u>Building Corporation</u>		<u>Eliminations</u>	<u>Combined</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>		
<b>Support and Revenue</b>						
<b>Public support</b>						
Contributions	\$ 200,437	\$ -	\$ -	\$ -	\$ -	\$ 200,437
United Way of Delaware County	72,386	-	-	-	-	72,386
<b>Total Public support</b>	<u>272,823</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>272,823</u>
<b>Revenue</b>						
Child and Adult Care Food Program	9,317	-	-	-	-	9,317
Community Development Block Grant	83,000	-	-	-	-	83,000
Criminal Justice Grants	365,135	-	-	-	-	365,135
Criminal Justice SOS Grant	14,105	-	-	-	-	14,105
Criminal Justice Stop Grants	13,613	-	-	-	-	13,613
Domestic Violence Grant	145,000	-	-	-	-	145,000
Emergency Shelters Grant	54,680	-	-	-	-	54,680
Family Service Society	66,667	-	-	-	-	66,667
Family Violence Grant	59,347	-	-	-	-	59,347
LifeLine	71,389	-	-	-	-	71,389
Rapid Rehousing Grant	4,988	-	-	-	-	4,988
Sexual Assault Services Program Grant	59,211	-	-	-	-	59,211
Sexual Assault Victim Assistance Grant	62,781	-	-	-	-	62,781
Social Services Block Grant	19,406	-	-	-	-	19,406
21st Century Community Learning State Grant	327,228	-	-	-	-	327,228
US Dept. of Housing and Urban Development	195,517	-	-	-	-	195,517
Rental income	1,710	-	6,000	-	(6,000)	1,710
Investment income, net	15,762	-	22	-	-	15,784
Outsourced services	8,000	-	-	-	-	8,000
Miscellaneous	8,176	-	-	-	-	8,176
<b>Total Revenue</b>	<u>1,585,032</u>	<u>-</u>	<u>6,022</u>	<u>-</u>	<u>(6,000)</u>	<u>1,585,054</u>
<b>Total Support and Revenue</b>	<u>\$ 1,857,855</u>	<u>\$ -</u>	<u>\$ 6,022</u>	<u>\$ -</u>	<u>\$ (6,000)</u>	<u>\$ 1,857,877</u>

**A BETTER WAY SERVICES, INC. AND  
FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION  
COMBINING STATEMENT OF SUPPORT AND REVENUE  
FOR THE YEAR ENDED JUNE 30, 2016**

	2016					
	A Better Way		Building Corporation		Eliminations	Combined
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted		
<b>Support and Revenue</b>						
<b>Public support</b>						
Contributions	\$ 260,068	\$ -	\$ -	\$ -	\$ -	\$ 260,068
United Way of Delaware County	<u>73,086</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,086</u>
<b>Total Public support</b>	333,154	-	-	-	-	333,154
<b>Revenue</b>						
Child and Adult Care Food Program	14,543	-	-	-	-	14,543
Community Development Block Grant	45,000	-	-	-	-	45,000
Criminal Justice Grants	270,607	-	-	-	-	270,607
Criminal Justice SOS Grant	10,580	-	-	-	-	10,580
Criminal Justice Stop Grants	10,645	-	-	-	-	10,645
Domestic Violence Grant	145,000	-	-	-	-	145,000
Emergency Shelters Grant	33,638	-	-	-	-	33,638
Family Service Society	66,667	-	-	-	-	66,667
Family Violence Grant	57,019	-	-	-	-	57,019
FEMA Grant	8,000	-	-	-	-	8,000
LifeLine	27,778	-	-	-	-	27,778
Sexual Assault Services Program Grant	56,731	-	-	-	-	56,731
Social Services Block Grant	12,000	-	-	-	-	12,000
21st Century Community Learning State Grant	266,503	-	-	-	-	266,503
US Dept. of Housing and Urban Development	131,085	-	-	-	-	131,085
Rental income	2,470	-	6,000	-	(6,000)	2,470
Investment income (loss), net	(4,619)	-	31	-	-	(4,588)
Outsourced services	7,500	-	-	-	-	7,500
Miscellaneous	<u>16,762</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,762</u>
<b>Total Revenue</b>	<u>1,177,909</u>	<u>-</u>	<u>6,031</u>	<u>-</u>	<u>(6,000)</u>	<u>1,177,940</u>
<b>Total Support and Revenue</b>	<u>\$ 1,511,063</u>	<u>\$ -</u>	<u>\$ 6,031</u>	<u>\$ -</u>	<u>\$ (6,000)</u>	<u>\$ 1,511,094</u>

**A BETTER WAY SERVICES, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017**

<b>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM</b>	<b>CFDA NUMBER</b>	<b>AGREEMENT NUMBER</b>	<b>EXPENDITURES</b>
<b>Department of Health and Human Services</b>			
Pass-through programs from:			
Indiana Criminal Justice Institute			
Family Violence Prevention	93.671	D3-16-10287	\$ 12,861
		D3-17-11248	<u>44,798</u>
	93.671	Total	<u>57,659</u>
Social Services Block Grants:			
Prevention and Public Health	93.758	D3-16-10709	2,315
		D3-17-11665	<u>13,176</u>
	93.758	Total	<u>15,491</u>
<b>Total Department of Health and Human Services</b>			<u>73,150</u>
<b>Department of Justice</b>			
Pass-through programs from:			
Indiana Criminal Justice Institute			
SASP	16.017	D3-16-10363	3,116
		D3-17-11015	<u>58,692</u>
	16.017	Total	<u>61,808</u>
Crime Victim Assistance	16.575	D3-16-10538	80,771
		D3-17-11534	<u>307,173</u>
	16.575	Total	<u>387,944</u>
STOP Violence Against Women	16.588	D3-17-11345	<u>13,613</u>
<b>Total Department of Justice</b>			<u>463,365</u>

See Notes to Schedule of Expenditures of Federal Awards.

**A BETTER WAY SERVICES, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<b>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM</b>	<b>CFDA NUMBER</b>	<b>AGREEMENT NUMBER</b>	<b>EXPENDITURES</b>
<b>Department of Housing and Urban Development</b>			
Supportive Housing Program	14.235	IN0043L5H021407	13,463
		IN0192L5H021600	<u>165,348</u>
	14.235	Total	<u>178,811</u>
Pass-through programs from:			
Muncie, Indiana Community Development Office:			
Community Development Block Grant:			
Domestic Violence Shelter and Services Program	14.218	N/A	18,000
Indiana Housing Community Development Authority			
Emergency Shelter	14.231	ES-016-001	<u>54,680</u>
<b>Total Department of Housing and Urban Development</b>			<u>251,491</u>
<b>Department of Education</b>			
Pass-through program from:			
Indiana Department of Education			
21st Century Community Learning State Grant	84.287	A58-7-17DL-0024	327,228
		N/A	<u>20,723</u>
	84.287	Total	<u>347,951</u>
<b>Total Department of Education</b>			<u>347,951</u>
<b>Total expenditures of federal awards</b>			<u>\$ 1,135,957</u>

See Notes to Schedule of Expenditures of Federal Awards.

**A BETTER WAY SERVICES, INC.**  
**FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**Note 1 – BASIS OF PRESENTATION**

*Basis of Presentation* – The accompanying schedule of expenditures of federal awards includes the federal grant activity of A Better Way Services, Inc. under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**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.

A Better Way Services, Inc. has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note 3 – SUBRECIPIENTS**

A Better Way Services, Inc. did not provide any federal awards to subrecipients.

**A BETTER WAY SERVICES, INC.  
 SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2017**

<u>STATE GRANTOR/PROGRAM</u>	<u>CONTRACT NUMBER</u>	<u>STATE EXPENDITURES</u>
<b>State of Indiana</b>		
Pass-through programs from:		
Indiana Criminal Justice Institute:		
Domestic Violence Prevention and Treatment	D3-17-9961	\$ 145,000
Sexual Assault Victim Assistance Fund	D3-17-110115	<u>64,049</u>
<b>Total Indiana Criminal Justice Institute</b>		<u>209,049</u>
<b>Total expenditures of state awards</b>		<u>\$ 209,049</u>



**INDEPENDENT AUDITOR'S 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***

To the Board of Directors of  
A Better Way Services, Inc.

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 combined financial statements of A Better Way Services, Inc. (a nonprofit organization), which comprise the combined statements of financial position as of June 30, 2017 and 2016, and the related combined statements of activities, and cash flows for the years then ended, and the related notes to the combined financial statements, and have issued our report thereon dated January 12, 2018.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether A Better Way Services, Inc.'s combined 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 the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Kemper CPA Group, LLP". The signature is written in a cursive, flowing style.

Kemper CPA Group, LLP  
Avon, Indiana  
January 12, 2018



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
A Better Way Services, Inc.

**Report on Compliance for Each major Program**

We have audited A Better Way Services, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of A Better Way Services, Inc.'s major federal programs for the year ended June 30, 2017. A Better Way Services, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of A Better Way Services, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* 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 A Better Way Services, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of A Better Way Services, Inc.'s compliance.

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

In our opinion, A Better Way Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

## Report on Internal Control over Compliance

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

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

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

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



Kemper CPA Group, LLP  
Avon, Indiana  
January 12, 2018

**A BETTER WAY SERVICES, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**Summary of auditor's results**

1. The auditor's report expresses an unmodified opinion on the combined financial statements of A Better Way Services, Inc. and its affiliate Family Services of Delaware County Building Corporation.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an audit of financial statements in accordance with *Government Auditing Standards*.
3. No instances of non-compliance material to the financial statements of A Better Way Services, Inc. were disclosed during the audit.
4. No significant deficiencies relating to the audit of major federal award programs are reported in the Report on Compliance for Each Major Program and on Internal Control over Compliance required by the Uniform Guidance.
5. The auditor's report on compliance for A Better Way Services, Inc. expresses an unmodified 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>Program</u>	<u>CFDA</u>
21 <sup>st</sup> Century Community	
Learning Centers Program	84.287

8. The threshold for distinguishing Types A and B programs was \$750,000.
9. A Better Way Services, Inc. was determined to be a low-risk auditee.

**Findings Relating to Financial Statements**

None

**Findings and Questioned Costs for Federal Awards**

None