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August 21, 2019

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

We have reviewed the audit report of A Better Way Services, Inc. which was opined upon by Kemper CPA Group LLP, Independent Public Accountants, for the period July 1, 2017 to June 30, 2018. 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, 2018 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 the audit report in accordance with 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 AFFILIATE**

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

**FOR THE YEARS ENDED  
JUNE 30, 2018 AND 2017**

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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, 2018 and 2017, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined 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, 2018 and 2017, 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 an opinion on the financial statements that collectively comprise the Organizations' basic financial statements. The combining statements of financial position, activities, functional expenses and cash flows and the schedules of 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, the schedules of support and revenue 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, the schedules of support and revenue 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 December 14, 2018, on our consideration of A Better Way Services, Inc. and its affiliate's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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  
December 14, 2018

**A BETTER WAY SERVICES, INC. AND AFFILIATE  
 COMBINED STATEMENTS OF FINANCIAL POSITION  
 AS OF JUNE 30, 2018 AND 2017**

	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
Cash	\$ 333,231	\$ 261,816
Grants receivable	196,639	183,492
Prepaid expenses	2,163	2,163
Note receivable	72,506	-
Property, buildings, and equipment, net	1,223,601	1,314,948
Beneficial interest in investments held by others	158,685	145,692
<b>Total Assets</b>	<b>\$ 1,986,825</b>	<b>\$ 1,908,111</b>
<b>LIABILITIES</b>		
Deposits	\$ 807	\$ 1,677
Accounts payable	10,932	8,133
Accrued and withheld liabilities	84,834	88,339
<b>Total Liabilities</b>	<b>96,573</b>	<b>98,149</b>
<b>NET ASSETS</b>		
Unrestricted	1,890,252	1,809,962
<b>Total Net Assets</b>	<b>1,890,252</b>	<b>1,809,962</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,986,825</b>	<b>\$ 1,908,111</b>

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

**A BETTER WAY SERVICES, INC. AND AFFILIATE  
COMBINED STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>REVENUES</b>		
Public support	\$ 303,440	\$ 272,823
Grants	1,538,543	1,551,384
Rental income	2,716	1,710
Investment income, net	15,578	15,784
Gain on sale of assets	74,344	-
Other	<u>47,335</u>	<u>16,176</u>
<b>Total revenues</b>	<u>1,981,956</u>	<u>1,857,877</u>
<b>EXPENSES</b>		
Program services	1,739,145	1,731,428
Supporting services		
Management and general	131,468	118,744
Fundraising	<u>31,053</u>	<u>13,983</u>
<b>Total expenses</b>	<u>1,901,666</u>	<u>1,864,155</u>
<b>Change in net assets</b>	80,290	(6,278)
<b>NET ASSETS - beginning of year</b>	<u>1,809,962</u>	<u>1,816,240</u>
<b>NET ASSETS - end of year</b>	<u>\$ 1,890,252</u>	<u>\$ 1,809,962</u>

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

**A BETTER WAY SERVICES, INC. AND AFFILIATE**  
**COMBINED STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>				<u>2017</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	\$ 1,040,097	\$ 85,575	\$ 18,133	\$ 1,143,805	\$ 1,060,287	\$ 65,095	\$ 1,743	\$ 1,127,125
Employee benefits	140,157	9,999	1,260	151,416	137,563	7,134	562	145,259
Payroll taxes	79,397	5,791	1,289	86,477	79,264	5,975	138	85,377
Professional fees	71,788	3,169	-	74,957	76,685	3,210	-	79,895
Supplies	24,025	1,669	1,933	27,627	72,974	971	5,586	79,531
Telephone	10,519	1,951	-	12,470	9,874	1,984	-	11,858
Postage	76	898	-	974	338	710	98	1,146
Occupancy	182,675	14,146	-	196,821	69,513	558	-	70,071
Equipment rental and maintenance	14,161	1,107	-	15,268	21,635	2,585	-	24,220
Publications and subscriptions	-	22	-	22	-	22	-	22
Conferences and training workshops	3,105	468	1,898	5,471	23,709	87	-	23,796
Transportation	10,599	110	-	10,709	22,416	66	-	22,482
Membership dues	3,212	2	-	3,214	2,167	-	-	2,167
Insurance	52,191	4,218	206	56,615	54,216	6,423	128	60,767
Food	12,575	66	6,334	18,975	18,310	39	2,249	20,598
Miscellaneous	3,211	2,277	-	5,488	9,471	2,978	3,479	15,928
Total expenses before depreciation	1,647,788	131,468	31,053	1,810,309	1,658,422	97,837	13,983	1,770,242
Depreciation	91,357	-	-	91,357	73,006	20,907	-	93,913
<b>Total functional expenses</b>	<u>\$ 1,739,145</u>	<u>\$ 131,468</u>	<u>\$ 31,053</u>	<u>\$ 1,901,666</u>	<u>\$ 1,731,428</u>	<u>\$ 118,744</u>	<u>\$ 13,983</u>	<u>\$ 1,864,155</u>

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

**A BETTER WAY SERVICES, INC. AND AFFILIATE  
COMBINED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 80,290	\$ (6,278)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	91,357	93,913
(Gain) loss on sale of assets	(74,344)	564
Realized gain on beneficial interest in investments held by others	(6,035)	(734)
Unrealized gain on beneficial interest in investments held by others	(5,348)	(11,726)
(Increase) Decrease in assets:		
Accounts receivable	(13,147)	(87,784)
Prepaid expenses	-	5,269
Increase (Decrease) in liabilities:		
Deposits	(870)	(290)
Accounts payable	2,799	7,672
Accrued and withheld liabilities	(3,505)	19,998
<b>Net Cash Provided by Operating Activities</b>	<b>71,197</b>	<b>20,604</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash payments for the purchase of property	(4,700)	(35,344)
Proceeds from sale of property	4,034	-
Net change in beneficial interest in investments held by others	(1,610)	(3,150)
<b>Net Cash Used by Investing Activities</b>	<b>(2,276)</b>	<b>(38,494)</b>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on notes receivable	2,494	-
<b>Net Cash Provided by Financing Activities</b>	<b>2,494</b>	<b>-</b>
 <b>Net Increase (Decrease) in Cash</b>	<b>71,415</b>	<b>(17,890)</b>
 <b>CASH - Beginning of Year</b>	<b>261,816</b>	<b>279,706</b>
 <b>CASH - End of Year</b>	<b>\$ 333,231</b>	<b>\$ 261,816</b>

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

**A BETTER WAY SERVICES, INC. AND AFFILIATE  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Nature of Activities* – A Better Way Services, Inc. (A Better Way) brings peace to homes, strength to individuals and families, and positive impact to the 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, 2018, A Better Way’s major program (as relative to federal awards) 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. For the year ended June 30, 2017, A Better Way’s major program 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.

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.

*Basis of Accounting* – The financial statements of the Organizations have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

*Basis of Presentation* – The Organizations reports its financial position and activities according to three classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The Organizations did not have any temporarily or permanently restricted net assets as of June 30, 2018 and 2017.

Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the Organizations, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and other that are entered into in the course of its operations.

*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.

*Grants Receivable* – The Organizations consider all receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required. Should management determine any accounts receivable to be uncollectible, the outstanding balance is written-off to bad debt expense. Historically, amounts written-off to bad debt expense have been immaterial to the financial statements.

**A BETTER WAY SERVICES, INC. AND AFFILIATE  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**Note 1 – 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 public support.

*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. 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 donation is received.

*Donated Materials and Services* – Donated materials and equipment are reflected as contributions in the accompanying financial statements at their estimated fair market value when received. Donated services requiring specialized skills, that would otherwise have to be purchased, are reflected as contributions and expensed at fair value.

*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. However, income from certain activities not directly related to the Organizations’ tax-exempt purpose is subject to taxation as unrelated business income. In addition, A Better Way qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

*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 AFFILIATE  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**Note 2 – CASH FLOW INFORMATION**

Noncash investing and financing activities in 2018 consist of the issuance of a \$75,000 note receivable to facilitate the sale of a building.

**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, 2018 and 2017. At June 30, 2018 and 2017, \$47,410 and \$41,416, respectively, of spendable funds were available for withdrawal.

For the years ending June 30, 2018 and 2017, the Organization had the following Fund activities:

	<b><u>The Community Foundation</u></b>
<b>Endowment assets, June 30, 2016</b>	\$ 130,082
Interest and dividends	4,789
Realized gains	734
Unrealized losses	11,726
Investment expenses	(1,639)
<b>Endowment assets, June 30, 2017</b>	\$ 145,692
Interest and dividends	3,410
Realized gains	6,035
Unrealized gains	5,348
Investment expenses	(1,800)
<b>Endowment assets, June 30, 2018</b>	\$ 158,685

**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, 2018 was \$64,885 with an available spending balance of \$10,542. The balance in this account at June 30, 2017 was \$57,473 with an available spending balance of \$8,354. There were no distributions received from this fund for the years ended June 30, 2018 and 2017.

**Note 5 – NOTE RECEIVABLE**

In 2018, the Building Corporation entered into an installment agreement on real estate for \$85,000. Per the terms of the agreement, the buyer was required to pay \$10,000 at the time of the purchase and \$75,000 in forty-eight monthly installments of a minimum of \$1,000 per month with a balloon payment for the final payment. The balance is stated at the unpaid principal balance plus interest, which is accrued at an annual rate of 6%.

**A BETTER WAY SERVICES, INC. AND AFFILIATE  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**Note 6 – PENSION PLANS**

A Better Way maintains two defined-contribution pension plans and substantially all employees who work 1,000 hours or more in a calendar year are eligible to participate. The tax deferred annuity plan has voluntary employee contributions. The basic plan requires an employer contribution equal to 6% of participating employees' compensation. Pension expense for the years ended June 30, 2018 and 2017 amounted to \$48,844 and \$46,895, respectively.

**Note 7 – PROPERTY, BUILDINGS, AND EQUIPMENT**

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

		<u>2018</u>		<u>2017</u>
Buildings, land and improvements	\$	2,172,934	\$	2,257,475
Furniture and equipment		173,562		219,042
Vehicles		82,053		82,053
		<u>2,428,549</u>		<u>2,558,570</u>
Accumulated depreciation		<u>(1,204,948)</u>		<u>(1,243,622)</u>
	\$	<u>1,223,601</u>	\$	<u>1,314,948</u>

Depreciation expense for the years ended June 30, 2018 and 2017 was \$91,357 and \$93,913, respectively.

**Note 8 – DONATED SERVICES**

A Better Way receives a significant amount of donated services from unpaid volunteers who provide various assistance to 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 6,880 total volunteer hours received for the year ended June 30, 2018 has an estimated fair value of \$153,699. The 8,174 total volunteer hours received for the year ended June 30, 2017 has an estimated fair value of \$182,596. The hours and estimated fair values of services presented are unaudited amounts provided by management.

**Note 9 – EXISTENCE OF CONCENTRATION AND CREDIT RISK**

A Better Way received approximately 16% and 19% of total support for the year ended June 30, 2018 from grants authorized by the Department of Education and Department of Justice, respectively; while approximately 18% and 22% of the Organization's support for the year ended June 30, 2017 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 would need to reduce its current operations.

**A BETTER WAY SERVICES, INC. AND AFFILIATE  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**Note 10 – COMPENSATED ABSENCES**

Accrued vacation included in the financial statements for the years ended June 30, 2018 and 2017 was \$45,165 and \$42,493, respectively.

**Note 11 – FAIR VALUE MEASUREMENTS**

The Organizations use 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 Organizations did not have investments using Level 1 fair value measurement for the years ended June 30, 2018 and 2017.

*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 Organizations did not have any investments using Level 2 fair value measurement for years ended June 30, 2018 and 2017.

*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 combined 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><b>June 30, 2018</b></u>	<u><b>Fair Value</b></u>	<u><b>Unobservable Inputs Used to Determine Price (Level 3)</b></u>
Beneficial Interest in Assets Held by Others	\$ 158,685	\$ 158,685
	\$ 158,685	\$ 158,685
<u><b>June 30, 2017</b></u>		
Beneficial Interest in Assets Held by Others	\$ 145,692	\$ 145,692
	\$ 145,692	\$ 145,692

**A BETTER WAY SERVICES, INC. AND AFFILIATE  
NOTES TO COMBINED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

**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, 2018 and 2017 is as follows:

	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 145,692	\$ 130,082
Interest and dividends	3,410	4,789
Realized gains	6,035	734
Unrealized gains	5,348	11,726
Investment expenses	(1,800)	(1,639)
Ending balance	<u>\$ 158,685</u>	<u>\$ 145,692</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 Organizations at June 30, 2018 and 2017.

**Note 12 - SUBSEQUENT EVENTS**

The Organizations have evaluated subsequent events through December 14, 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, 2018.

**SUPPLEMENTARY INFORMATION**

**A BETTER WAY SERVICES, INC. AND  
FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION  
COMBINING STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2018 AND 2017**

	<u>2018</u>				<u>2017</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	\$ 275,777	\$ 57,454	\$ -	\$ 333,231	\$ 212,266	\$ 49,550	\$ -	\$ 261,816
Accounts receivable	196,639	-	-	196,639	183,492	-	-	183,492
Prepaid expenses	2,163	-	-	2,163	2,163	-	-	2,163
Property, buildings, and equipment, net	938,858	284,743	-	1,223,601	999,072	315,876	-	1,314,948
Beneficial interest in investments held by others	158,685	-	-	158,685	145,692	-	-	145,692
Note receivable	-	72,506	-	72,506	-	-	-	-
Note receivable, Building Corporation	117,371	-	(117,371)	-	117,371	-	(117,371)	-
<b>Total Assets</b>	<u>\$ 1,689,493</u>	<u>\$ 414,703</u>	<u>\$ (117,371)</u>	<u>\$ 1,986,825</u>	<u>\$ 1,660,056</u>	<u>\$ 365,426</u>	<u>\$ (117,371)</u>	<u>\$ 1,908,111</u>
<b>LIABILITIES AND NET ASSETS</b>								
Deposits	\$ 807	\$ -	\$ -	\$ 807	\$ 1,677	\$ -	\$ -	\$ 1,677
Accounts payable	10,932	-	-	10,932	8,133	-	-	8,133
Accrued and withheld liabilities	84,834	-	-	84,834	88,339	-	-	88,339
Note payable, A Better Way	-	117,371	(117,371)	-	-	117,371	(117,371)	-
<b>Total Liabilities</b>	<u>96,573</u>	<u>117,371</u>	<u>(117,371)</u>	<u>96,573</u>	<u>98,149</u>	<u>117,371</u>	<u>(117,371)</u>	<u>98,149</u>
<b>NET ASSETS</b>								
Unrestricted	1,592,920	297,332	-	1,890,252	1,561,907	248,055	-	1,809,962
<b>Total Net Assets</b>	<u>1,592,920</u>	<u>297,332</u>	<u>-</u>	<u>1,890,252</u>	<u>1,561,907</u>	<u>248,055</u>	<u>-</u>	<u>1,809,962</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 1,689,493</u>	<u>\$ 414,703</u>	<u>\$ (117,371)</u>	<u>\$ 1,986,825</u>	<u>\$ 1,660,056</u>	<u>\$ 365,426</u>	<u>\$ (117,371)</u>	<u>\$ 1,908,111</u>

**A BETTER WAY SERVICES, INC. AND  
FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION  
COMBINING STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>				<u>2017</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>Support and Revenue</b>								
Public support	\$ 303,440	\$ -	\$ -	\$ 303,440	\$ 272,823	\$ -	\$ -	\$ 272,823
Revenue	<u>1,602,645</u>	<u>81,871</u>	<u>(6,000)</u>	<u>1,678,516</u>	<u>1,585,032</u>	<u>6,022</u>	<u>(6,000)</u>	<u>1,585,054</u>
<b>Total Support and Revenue</b>	<u>1,906,085</u>	<u>81,871</u>	<u>(6,000)</u>	<u>1,981,956</u>	<u>1,857,855</u>	<u>6,022</u>	<u>(6,000)</u>	<u>1,857,877</u>
<b>Expenses</b>								
Program services	1,712,551	32,594	(6,000)	1,739,145	1,699,960	37,468	(6,000)	1,731,428
Management and General	131,468	-	-	131,468	118,744	-	-	118,744
Fundraising	<u>31,053</u>	<u>-</u>	<u>-</u>	<u>31,053</u>	<u>13,983</u>	<u>-</u>	<u>-</u>	<u>13,983</u>
<b>Total Expenses</b>	<u>1,875,072</u>	<u>32,594</u>	<u>(6,000)</u>	<u>1,901,666</u>	<u>1,832,687</u>	<u>37,468</u>	<u>(6,000)</u>	<u>1,864,155</u>
<b>Change in Net Assets</b>	31,013	49,277	-	80,290	25,168	(31,446)	-	(6,278)
<b>Net Assets - beginning of year</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>Net Assets - end of year</b>	<u>\$ 1,592,920</u>	<u>\$ 297,332</u>	<u>\$ -</u>	<u>\$ 1,890,252</u>	<u>\$ 1,561,907</u>	<u>\$ 248,055</u>	<u>\$ -</u>	<u>\$ 1,809,962</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, 2018 AND 2017**

	<u>2018</u>				<u>2017</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	\$ 31,013	\$ 49,277	\$ -	\$ 80,290	\$ 25,168	\$ (31,446)	\$ -	\$ (6,278)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:								
Depreciation	64,914	26,443	-	91,357	65,854	28,059	-	93,913
(Gain) loss on sale of assets	-	(74,344)	-	(74,344)	564	-	-	564
Realized gain on beneficial interest in investments held by others	(6,035)	-	-	(6,035)	(734)	-	-	(734)
Unrealized gain on beneficial interest in investments held by others	(5,348)	-	-	(5,348)	(11,726)	-	-	(11,726)
(Increase) Decrease in assets:								
Accounts receivable	(13,147)	-	-	(13,147)	(87,784)	-	-	(87,784)
Prepaid expenses	-	-	-	-	5,269	-	-	5,269
Increase (Decrease) in liabilities:								
Deposits	(870)	-	-	(870)	(290)	-	-	(290)
Accounts payable	2,799	-	-	2,799	7,672	-	-	7,672
Accrued and withheld liabilities	(3,505)	-	-	(3,505)	19,998	-	-	19,998
<b>Net cash provided (used) by operating activities</b>	<u>69,821</u>	<u>1,376</u>	<u>-</u>	<u>71,197</u>	<u>23,991</u>	<u>(3,387)</u>	<u>-</u>	<u>20,604</u>
<b>Cash flow from investing activities:</b>								
Purchase of property and equipment	(4,700)	-	-	(4,700)	(30,861)	(4,483)	-	(35,344)
Proceeds from sale of property	-	4,034	-	4,034	-	-	-	-
Net change in beneficial interest in investments held by others	(1,610)	-	-	(1,610)	(3,150)	-	-	(3,150)
<b>Net cash provided (used) by investing activities</b>	<u>(6,310)</u>	<u>4,034</u>	<u>-</u>	<u>(2,276)</u>	<u>(34,011)</u>	<u>(4,483)</u>	<u>-</u>	<u>(38,494)</u>
<b>Cash flow from financing activities:</b>								
Principal payments on note receivable	-	2,494	-	2,494	-	-	-	-
<b>Net cash provided by financing activities</b>	<u>-</u>	<u>2,494</u>	<u>-</u>	<u>2,494</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net increase (decrease) in cash</b>	63,511	7,904	-	71,415	(10,020)	(7,870)	-	(17,890)
<b>Cash - beginning 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>
<b>Cash - end of year</b>	<u>\$ 275,777</u>	<u>\$ 57,454</u>	<u>\$ -</u>	<u>\$ 333,231</u>	<u>\$ 212,266</u>	<u>\$ 49,550</u>	<u>\$ -</u>	<u>\$ 261,816</u>

**A BETTER WAY SERVICES, INC.**  
**FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION**  
**COMBINING STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**2018**

	<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	\$ 1,040,097	\$ 85,575	\$ 18,133	\$ -	\$ -	\$ 1,143,805
Employee benefits	140,157	9,999	1,260	-	-	151,416
Payroll taxes	79,397	5,791	1,289	-	-	86,477
Professional fees	71,788	3,169	-	-	-	74,957
Supplies	23,953	1,669	1,933	72	-	27,627
Telephone	10,519	1,951	-	-	-	12,470
Postage	76	898	-	-	-	974
Occupancy	185,755	14,146	-	2,920	(6,000)	196,821
Equipment rental and maintenance	12,699	1,107	-	1,462	-	15,268
Publications and subscriptions	-	22	-	-	-	22
Conferences and training workshops	3,105	468	1,898	-	-	5,471
Transportation	10,599	110	-	-	-	10,709
Membership dues	3,212	2	-	-	-	3,214
Insurance	50,528	4,218	206	1,663	-	56,615
Food	12,575	66	6,334	-	-	18,975
Miscellaneous	3,177	2,277	-	34	-	5,488
Total expenses before depreciation	1,647,637	131,468	31,053	6,151	(6,000)	1,810,309
Depreciation	64,914	-	-	26,443	-	91,357
<b>Total Expenses</b>	<b>\$ 1,712,551</b>	<b>\$ 131,468</b>	<b>\$ 31,053</b>	<b>\$ 32,594</b>	<b>\$ (6,000)</b>	<b>\$ 1,901,666</b>

**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
Printing and publications	-	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>\$ 1,699,960</b>	<b>\$ 118,744</b>	<b>\$ 13,983</b>	<b>\$ 37,468</b>	<b>\$ (6,000)</b>	<b>\$ 1,864,155</b>

**A BETTER WAY SERVICES, INC. AND  
FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION  
COMBINING SCHEDULE OF SUPPORT AND REVENUE  
FOR THE YEAR ENDED JUNE 30, 2018**

**2018**

	<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	\$ 228,225	\$ -	\$ -	\$ -	\$ -	\$ 228,225
United Way of Delaware County	75,215	-	-	-	-	75,215
<b>Total Public support</b>	<u>303,440</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>303,440</u>
<b>Revenue</b>						
Community Development Block Grant	70,000	-	-	-	-	70,000
Criminal Justice Grants	355,391	-	-	-	-	355,391
Criminal Justice SOS Grant	11,219	-	-	-	-	11,219
Criminal Justice Stop Grants	13,709	-	-	-	-	13,709
Domestic Violence Grant	198,022	-	-	-	-	198,022
Emergency Shelters Grant	57,033	-	-	-	-	57,033
Family Service Society	44,785	-	-	-	-	44,785
Family Violence Grant	53,709	-	-	-	-	53,709
LifeLine	32,500	-	-	-	-	32,500
Rapid Rehousing Grant	168,846	-	-	-	-	168,846
Sexual Assault Services Program Grant	55,973	-	-	-	-	55,973
Sexual Assault Victim Assistance Grant	139,838	-	-	-	-	139,838
Social Services Block Grant	15,703	-	-	-	-	15,703
21st Century Community Learning State Grant	299,958	-	-	-	-	299,958
Federal Emergency Management Agency	21,857	-	-	-	-	21,857
Rental income	2,716	-	6,000	-	(6,000)	2,716
Investment income, net	14,051	-	1,527	-	-	15,578
Outsourced services	12,000	-	-	-	-	12,000
Gain from insurance proceeds	25,225	-	-	-	-	25,225
Gain on sale of assets	-	-	74,344	-	-	74,344
Miscellaneous	10,110	-	-	-	-	10,110
<b>Total Revenue</b>	<u>1,602,645</u>	<u>-</u>	<u>81,871</u>	<u>-</u>	<u>(6,000)</u>	<u>1,678,516</u>
<b>Total Support and Revenue</b>	<u>\$ 1,906,085</u>	<u>\$ -</u>	<u>\$ 81,871</u>	<u>\$ -</u>	<u>\$ (6,000)</u>	<u>\$ 1,981,956</u>

**A BETTER WAY SERVICES, INC. AND  
FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION  
COMBINING SCHEDULE 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
Rapid Rehousing Grant	4,988	-	-	-	-	4,988
LifeLine	71,389	-	-	-	-	71,389
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.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018**

<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	D3-17-11248	\$ 11,567
		D3-18-12150	<u>42,142</u>
	93.671	Total	<u>53,709</u>
Social Services Block Grants:			
Prevention and Public Health	93.758	D3-17-11665	19,355
		D3-18-12131	<u>7,567</u>
	93.758	Total	<u>26,922</u>
<b>Total Department of Health and Human Services</b>			<u>80,631</u>
<b>Department of Justice</b>			
Pass-through programs from:			
Indiana Criminal Justice Institute			
SASP	16.017	D3-17-11015	581
		D3-18-12276	<u>55,392</u>
	16.017	Total	<u>55,973</u>
Crime Victim Assistance	16.575	D3-17-11537	<u>355,391</u>
STOP Violence Against Women	16.588	D3-18-12230	<u>13,709</u>
<b>Total Department of Justice</b>			<u>425,073</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, 2018**

<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>			
Continuum of Care Program	14.267	IN0043L5H021508	29,783
		IN0192L5H021600	94,104
		IN0192L5H021701	<u>44,959</u>
	14.267	Total	<u>168,846</u>
Pass-through programs from:			
Indiana Housing Community Development Authority			
Emergency Shelter	14.231	ES-017-001	<u>57,033</u>
<b>Total Department of Housing and Urban Development</b>			<u>225,879</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	<u>299,958</u>
<b>Total Department of Education</b>			<u>299,958</u>
<b>Total expenditures of federal awards</b>			<u>\$ 1,031,541</u>

See Notes to Schedule of Expenditures of Federal Awards.

**A BETTER WAY SERVICES, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**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, 2018. 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, 2018**

<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	D3-18-11946	\$ 127,110
Sexual Assault Victim Assistance Fund	D3-18-110115	<u>139,838</u>
<b>Total Indiana Criminal Justice Institute</b>		<u>266,948</u>
<b>Total expenditures of state awards</b>		<u>\$ 266,948</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. and Affiliate

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. and affiliate (nonprofit organizations), which comprise the combined statements of financial position as of June 30, 2018 and 2017, and the related combined statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the combined financial statements, and have issued our report thereon dated December 14, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the combined financial statements, we considered A Better Way Services, Inc. and affiliate'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. and affiliate's internal control. Accordingly, we do not express an opinion on the effectiveness of A Better Way Services, Inc. and affiliate'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. and affiliate'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  
December 14, 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, 2018. 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, 2018.

## 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  
December 14, 2018

**A BETTER WAY SERVICES, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**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 or material weaknesses 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 or material weaknesses 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>
Crime Victim Assistance	16.017

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