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October 20, 2021

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

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, 2019 to June 30, 2020. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of A Better Way Services, Inc. as of June 30, 2020 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 the guidelines established by the State Board of Accounts.

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

A handwritten signature in blue ink that reads "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, 2020 AND 2019**

**A BETTER WAY SERVICES, INC.
AND AFFILIATE**

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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, 2020 and 2019, 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, 2020 and 2019, 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 combined financial statements as a whole. The combining information in the statements of financial position, activities, functional expenses, and cash flows and the schedules of support and revenue are presented for purposes of additional analysis of the combined financial statements rather than to present the financial position, change in net assets, and cash flows of the individual organizations, and is not a required part of the combined financial statements. The accompanying 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 combined financial statements.

The combining information, schedules of support and revenue, and schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining information, schedules of support and revenue, and schedule of expenditures of federal awards is fairly stated in all material respects in relation to the combined 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 29, 2020, 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 29, 2020

**A BETTER WAY SERVICES, INC. AND AFFILIATE
 COMBINED STATEMENTS OF FINANCIAL POSITION
 AS OF JUNE 30, 2020 AND 2019**

	2020	2019
ASSETS		
Cash	\$ 757,900	\$ 459,461
Grants receivable	267,379	151,616
Prepaid expenses	2,163	2,163
Note receivable	50,063	64,643
Property and equipment, net	1,121,904	1,184,884
Beneficial interest in assets held by community foundation	168,470	166,037
Total Assets	\$ 2,367,879	\$ 2,028,804
LIABILITIES		
Deposits	\$ 800	\$ 1,495
Accounts payable	7,107	11,217
Accrued and withheld liabilities	121,591	95,531
PPP loan payable	295,935	-
Total Liabilities	425,433	108,243
NET ASSETS		
Without donor restrictions	1,942,446	1,920,561
Total Liabilities and Net Assets	\$ 2,367,879	\$ 2,028,804

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, 2020 AND 2019**

	2020	2019
REVENUES		
Public support	\$ 289,149	\$ 293,316
Grants	1,764,984	1,543,492
Rental income	3,952	450
Investment income, net	8,142	13,163
Gain on sale of assets	1,522	-
Other	8,781	12,830
Total revenues	2,076,530	1,863,251
 EXPENSES		
Program services	1,899,321	1,619,180
Supporting services		
Management and general	117,998	160,570
Fundraising	37,326	53,192
Total expenses	2,054,645	1,832,942
Change in net assets	21,885	30,309
 NET ASSETS - beginning of year	1,920,561	1,890,252
 NET ASSETS - end of year	\$ 1,942,446	\$ 1,920,561

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, 2020 AND 2019**

	2020				2019			
	Programs	Management and General	Fundraising	Total	Programs	Management and General	Fundraising	Total
Salaries	\$ 1,230,567	\$ 65,818	\$ 25,798	\$ 1,322,183	\$ 1,009,797	\$ 95,600	\$ 27,611	\$ 1,133,008
Employee benefits	162,617	14,014	3,510	180,141	142,502	12,551	2,418	157,471
Payroll taxes	89,225	5,603	1,782	96,610	76,574	6,984	2,139	85,697
Professional fees	61,644	17,169	-	78,813	46,484	17,560	-	64,044
Supplies	28,561	796	1,252	30,609	48,607	5,957	3,902	58,466
Telephone	9,700	1,322	-	11,022	10,414	1,772	-	12,186
Postage	429	699	220	1,348	34	712	250	996
Occupancy	151,432	-	-	151,432	111,257	-	-	111,257
Equipment rental and maintenance	13,545	1,200	-	14,745	9,384	9,987	-	19,371
Conferences and training workshops	6,484	-	412	6,896	9,015	797	1,000	10,812
Transportation	10,170	58	-	10,228	8,811	111	-	8,922
Membership dues	1,320	720	-	2,040	1,024	198	-	1,222
Insurance	40,290	7,851	188	48,329	40,381	5,680	272	46,333
Food	4,968	-	3,704	8,672	13,381	-	15,600	28,981
Miscellaneous	<u>5,065</u>	<u>2,748</u>	<u>460</u>	<u>8,273</u>	<u>5,411</u>	<u>2,661</u>	<u>-</u>	<u>8,072</u>
Total expenses before depreciation	1,816,017	117,998	37,326	1,971,341	1,533,076	160,570	53,192	1,746,838
Depreciation	<u>83,304</u>	<u>-</u>	<u>-</u>	<u>83,304</u>	<u>86,104</u>	<u>-</u>	<u>-</u>	<u>86,104</u>
Total functional expenses	<u>\$ 1,899,321</u>	<u>\$ 117,998</u>	<u>\$ 37,326</u>	<u>\$ 2,054,645</u>	<u>\$ 1,619,180</u>	<u>\$ 160,570</u>	<u>\$ 53,192</u>	<u>\$ 1,832,942</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, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 21,885	\$ 30,309
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	83,304	86,104
(Gain) loss on sale of assets	(1,522)	335
Realized gain on beneficial interest in assets held by community foundation	(7,277)	(1,453)
Unrealized (gain) loss on beneficial interest in assets held by community foundation	6,751	(3,445)
(Increase) decrease in assets:		
Accounts receivable	(115,763)	45,023
Increase (decrease) in liabilities:		
Deposits	(695)	688
Accounts payable	(4,110)	285
Accrued and withheld liabilities	26,060	10,697
Net Cash Provided by Operating Activities	8,633	168,543
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(24,631)	(48,152)
Proceeds from sale of property and equipment	5,831	430
Net change in beneficial interest in assets held held by community foundation	(1,908)	(2,454)
Net Cash Used by Investing Activities	(20,708)	(50,176)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds received on note receivable	14,579	7,863
Proceeds from PPP loan payable	295,935	-
Net Cash Provided by Financing Activities	310,514	7,863
 Net Increase in Cash	 298,439	 126,230
 CASH - Beginning of Year	 459,461	 333,231
 CASH - End of Year	 \$ 757,900	 \$ 459,461

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, 2020 AND 2019**

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 consists primarily of grants and donations from private and public organizations and individuals.

For the years ended June 30, 2020 and 2019, A Better Way’s major program (relative to federal awards) is its Victim Crime Assistance Program within A Better Way programs. The majority of funding for this program consists of grants from the Department of Justice which is passed through 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.

Combined Financial Statements – The combined financial statements include the accounts of A Better Way and the Building Corporation. The Building Corporation’s principal business activity is leasing property to A Better Way. All significant intercompany accounts and transactions have been eliminated in combination. Unless otherwise noted, these combined entities are hereinafter referred to as “Organizations.”

Basis of Accounting – The combined 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 two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions. The Organizations did not have any net assets with donor restrictions as of June 30, 2020 and 2019.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions 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 others that are entered into in the course of its operations.

Grants Receivable – Grants receivable represent consideration from state and local government agencies, of which the Organizations have an unconditional right to receive. Grants receivable are stated at the amount management expects to be collected from the outstanding balance. As of June 30, 2020 and 2019, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

**A BETTER WAY SERVICES, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment – The Organizations record property and equipment additions over \$1,000 at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from five to forty years. When the assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the combined statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Beneficial Interest in Assets Held by Community Foundation – The Organizations established an endowment fund with the Community Foundation of Muncie and Delaware County, Inc. (the Community Foundation) and named A Better Way as beneficiary. The Organizations granted variance power to the Community Foundation, which allows the Community Foundation to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the Community Foundation’s Board of Directors, such restrictions or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The fund is held and invested by the Community Foundation for A Better Way’s benefit and is reported at fair value in the combined statements of financial position, with distributions and changes in fair value recognized in the combined statements of activities.

Revenue and Revenue Recognition – Revenue is recognized when earned. Payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

The Organizations have elected to defer the implementation of Revenue from Contracts with Customers as allowed by Accounting Standards Update 2020-05. The Organizations will adopt the new Standard for the reporting period after June 30, 2020.

Paycheck Protection Program Loan – A Better Way is accounting for the PPP loan as debt in accordance with FASB ACS 470. Upon partial or total forgiveness of the loan and legal release of the obligation to pay, the liability will be reduced and a gain on extinguishment will be recognized. See Note 12 for disclosure of repayment terms for any unforgiven portion of the loan.

Donated Services and In-Kind Contributions – Volunteers contribute significant amounts of time to the Organizations’ program services, administration, and fundraising activities; however, the combined financial statements do not reflect the value of these contributed services because they do not meet the recognition criteria prescribed by generally accepted accounting principles. See Note 8 for additional detail on donated services. Donated materials and equipment are reflected as contributions in the accompanying combined financial statements at their estimated fair market value when received.

Functional Allocation of Expenses – The cost of program and supporting services activities have been summarized on a functional basis in the combined statements of activities. The combined statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**A BETTER WAY SERVICES, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes – A Better Way is organized as an Indiana nonprofit organization and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Section 170(b)(1)(A) and have been determined not to be a private foundation under IRC Section 509(a)(2).

The Building Corporation is organized as an Indiana nonprofit organization and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(2) and have been determined not to be a private foundation under IRC Section 509(a)(2).

Each entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entities are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Management has determined that each entity is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Estimates – Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Financial Instruments and Credit Risk – The Organizations manage deposit concentration risk by placing cash with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, there have been no losses in any of these accounts. Credit risk associated with grants receivable are considered to be limited due to high historical collection rates and because all outstanding amounts are due from governmental agencies.

**A BETTER WAY SERVICES, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

Note 2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the combined statement of financial position date, comprise the following:

	<u>2020</u>	<u>2019</u>
Financial assets at year-end		
Cash	\$ 757,900	\$ 459,461
Grants receivable	267,379	151,616
Notes receivable	50,063	64,643
Beneficial interest in assets held by community foundation	168,470	166,037
Less those unavailable for general expenditure within one year, due to:		
Notes receivable payments due in more than one year	(46,683)	(55,590)
Distributions from beneficial interest in assets held by community foundation due in more than one year	<u>(108,120)</u>	<u>(112,331)</u>
	<u>\$ 1,089,009</u>	<u>\$ 673,836</u>

Note 3 – FAIR VALUE MEASUREMENTS

The Organizations report certain assets at fair value in the combined financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the assets based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, inputs are developed using the best information available in the circumstances.

The fair value of the beneficial interest in assets held by the Community Foundation is based on the fair value of fund investments are reported by the Community Foundation. These are considered to be Level 3 measurements.

**A BETTER WAY SERVICES, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

Note 3 – FAIR VALUE MEASUREMENTS (Continued)

The following table presents assets measured at fair value on a recurring basis at June 30, 2020 and 2019:

	Significant Unobservable Inputs (Level 3)
June 30, 2020	
Beneficial interest in assets held by Community Foundation	<u>\$ 168,470</u>
June 30, 2019	
Beneficial interest in assets held by Community Foundation	<u>\$ 166,037</u>

The following is a reconciliation of the beginning and ending balance of assets measured on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Beginning balance	\$ 166,037	\$ 158,685
Interest and dividends	3,818	4,308
Realized gains	7,277	1,453
Unrealized gain (loss)	(6,751)	3,445
Investment expenses	(1,911)	(1,854)
Ending balance	<u>\$ 168,470</u>	<u>\$ 166,037</u>

Note 4 – 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%.

Note 5 – PROPERTY AND EQUIPMENT

	<u>2020</u>	<u>2019</u>
Buildings	\$ 2,142,719	\$ 2,142,719
Vehicles	70,804	62,100
Equipment	155,434	180,987
Furniture and fixtures	25,447	25,447
Land	44,000	44,000
Less accumulated depreciation	<u>(1,316,500)</u>	<u>(1,270,369)</u>
	<u>\$ 1,121,904</u>	<u>\$ 1,184,884</u>

Depreciation expense for the years ended June 30, 2020 and 2019 was \$83,304 and \$86,104, respectively.

**A BETTER WAY SERVICES, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

Note 6 – BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

An endowment fund is deposited with 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, 2020 and 2019. At June 30, 2020 and 2019, \$60,350 and \$53,706, respectively, of spendable funds were available for withdrawal.

Note 7 – ENDOWMENT ACCOUNT

A Better Way is the beneficiary of an endowment account established with the Community Foundation. 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, 2020 was \$71,302 with an available spending balance of \$15,650. The balance in this account at June 30, 2019 was \$69,202 with an available spending balance of \$12,986. There were no distributions received from this fund for the years ended June 30, 2020 and 2019.

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 4,690 total volunteer hours received for the year ended June 30, 2020 has an estimated fair value of \$65,657. The 7,390 total volunteer hours received for the year ended June 30, 2019 has an estimated fair value of \$103,453. The hours and estimated fair values of services presented are unaudited amounts provided by management.

Note 9 – 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, 2020 and 2019 amounted to \$48,496 and \$50,780, respectively.

Note 10 – COMMITMENTS AND CONTINGENCIES

A Better Way has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Such audits could generate expenditure disallowances under terms of the grants that could require material reimbursement.

Note 11 – EXISTENCE OF CONCENTRATION AND CREDIT RISK

A Better Way receives support from federal and state funded grants. In the event that this support was 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, 2020 AND 2019**

NOTE 12 – PAYCHECK PROTECTION PROGRAM (PPP) LOAN PAYABLE

On April 14, 2020, A Better Way Services, Inc. qualified for and received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from First Merchants Bank, for an aggregate principal amount of \$295,935. The PPP Loan bears an interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. The principal amount of the PPP Loan is subject to forgiveness under the Paycheck Protection Program upon A Better Way Services, Inc.'s request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by A Better Way Services, Inc.. A Better Way Services, Inc. intends to apply for forgiveness of the PPP Loan with respect to these covered expenses. To the extent that all or part of the PPP Loan is not forgiven, A Better Way Services, Inc. will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing in November, 2020 principal and interest payments will be required through the maturity date in April, 2022. The terms of the PPP Loan provide for customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events. The PPP Loan may be accelerated upon the occurrence of an event of default.

NOTE 13 – PANDEMIC'S IMPACT ON THE ENTITY

On March 11, 2020 the World Health Organization recognized COVID-19 as a global pandemic, prompting many national, regional, and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. Management is currently evaluating the impact of the COVID-19 pandemic and has concluded that while it is reasonable possible that the virus could have a negative impact on A Better Way's financial position, results of operations and cash flows, the extent of COVID-19 on A Better Way's operations and financial results will depend on future developments, all of which are highly uncertain.

NOTE 14 – SUBSEQUENT EVENTS

The Organizations have evaluated subsequent events through December 29, 2020, which is the date the combined financial statements were available to be issued. On December 11, 2020, the Board of Directors for A Better Way and the Family Services of Delaware County Building Corporation (Building Corp) voted to collapse the Building Corp into A Better Way, Inc. effective December 31, 2020.

SUPPLEMENTARY INFORMATION

**A BETTER WAY SERVICES, INC. AND
FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION
COMBINING STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2020 AND 2019**

	2020				2019			
	A Better Way	Building Corporation	Eliminations	Combined	A Better Way	Building Corporation	Eliminations	Combined
ASSETS								
Cash	\$ 697,274	\$ 60,626	\$ -	\$ 757,900	\$ 419,841	\$ 39,620	\$ -	\$ 459,461
Accounts receivable	267,379	-	-	267,379	151,616	-	-	151,616
Prepaid expenses	2,163	-	-	2,163	2,163	-	-	2,163
Property and equipment, net	884,662	237,242	-	1,121,904	924,322	260,562	-	1,184,884
Beneficial interest in assets held by community foundation	168,470	-	-	168,470	166,037	-	-	166,037
Note receivable	-	50,063	-	50,063	-	64,643	-	64,643
Note receivable, Building Corporation	82,371	-	(82,371)	-	82,371	-	(82,371)	-
Total Assets	\$ 2,102,319	\$ 347,931	\$ (82,371)	\$ 2,367,879	\$ 1,746,350	\$ 364,825	\$ (82,371)	\$ 2,028,804
LIABILITIES AND NET ASSETS								
Deposits	\$ 800	\$ -	\$ -	\$ 800	\$ 1,495	\$ -	\$ -	\$ 1,495
Accounts payable	7,107	-	-	7,107	11,217	-	-	11,217
Accrued and withheld liabilities	121,591	-	-	121,591	95,531	-	-	95,531
PPP loan payable	295,935	-	-	295,935	-	-	-	-
Note payable, A Better Way	-	82,371	(82,371)	-	-	82,371	(82,371)	-
Total Liabilities	425,433	82,371	(82,371)	425,433	108,243	82,371	(82,371)	108,243
NET ASSETS								
Without donor restrictions	1,676,886	265,560	-	1,942,446	1,638,107	282,454	-	1,920,561
Total Liabilities and Net Assets	\$ 2,102,319	\$ 347,931	\$ (82,371)	\$ 2,367,879	\$ 1,746,350	\$ 364,825	\$ (82,371)	\$ 2,028,804

**A BETTER WAY SERVICES, INC. AND
FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION
COMBINING STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>				<u>2019</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>
SUPPORT AND REVENUE								
Public support	\$ 289,149	\$ -	\$ -	\$ 289,149	\$ 293,316	\$ -	\$ -	\$ 293,316
Revenue	<u>1,783,946</u>	<u>8,935</u>	<u>(5,500)</u>	<u>1,787,381</u>	<u>1,566,111</u>	<u>11,161</u>	<u>(7,337)</u>	<u>1,569,935</u>
Total support and revenue	<u>2,073,095</u>	<u>8,935</u>	<u>(5,500)</u>	<u>2,076,530</u>	<u>1,859,427</u>	<u>11,161</u>	<u>(7,337)</u>	<u>1,863,251</u>
EXPENSES								
Program services	1,878,992	25,829	(5,500)	1,899,321	1,600,478	26,039	(7,337)	1,619,180
Supporting services								
Management and General	117,998	-	-	117,998	160,570	-	-	160,570
Fundraising	<u>37,326</u>	<u>-</u>	<u>-</u>	<u>37,326</u>	<u>53,192</u>	<u>-</u>	<u>-</u>	<u>53,192</u>
Total expenses	<u>2,034,316</u>	<u>25,829</u>	<u>(5,500)</u>	<u>2,054,645</u>	<u>1,814,240</u>	<u>26,039</u>	<u>(7,337)</u>	<u>1,832,942</u>
Change in net assets	38,779	(16,894)	-	21,885	45,187	(14,878)	-	30,309
NET ASSETS - beginning of year	<u>1,638,107</u>	<u>282,454</u>	<u>-</u>	<u>1,920,561</u>	<u>1,592,920</u>	<u>297,332</u>	<u>-</u>	<u>1,890,252</u>
NET ASSETS - end of year	<u>\$ 1,676,886</u>	<u>\$ 265,560</u>	<u>\$ -</u>	<u>\$ 1,942,446</u>	<u>\$ 1,638,107</u>	<u>\$ 282,454</u>	<u>\$ -</u>	<u>\$ 1,920,561</u>

A BETTER WAY SERVICES, INC.
FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

2020

	<u>A Better Way</u>			<u>Building</u>		
	<u>A Better Way</u>	<u>Management</u>	<u>Fundraising</u>	<u>Corporation</u>	<u>Eliminations</u>	<u>Combined</u>
	<u>Programs</u>	<u>and General</u>		<u>Programs</u>		
Salaries	\$ 1,230,567	\$ 65,818	\$ 25,798	\$ -	\$ -	\$ 1,322,183
Employee benefits	162,617	14,014	3,510	-	-	180,141
Payroll taxes	89,225	5,603	1,782	-	-	96,610
Professional fees	60,144	17,169	-	1,500	-	78,813
Supplies	28,561	796	1,252	-	-	30,609
Telephone	9,700	1,322	-	-	-	11,022
Postage	429	699	220	-	-	1,348
Occupancy	156,932	-	-	-	(5,500)	151,432
Equipment rental and maintenance	13,545	1,200	-	-	-	14,745
Conferences and training workshops	6,484	-	412	-	-	6,896
Transportation	10,170	58	-	-	-	10,228
Membership dues	1,320	720	-	-	-	2,040
Insurance	40,290	7,851	188	-	-	48,329
Food	4,968	-	3,704	-	-	8,672
Miscellaneous	4,057	2,748	460	1,008	-	8,273
Total expenses before depreciation	<u>1,819,009</u>	<u>117,998</u>	<u>37,326</u>	<u>2,508</u>	<u>(5,500)</u>	<u>1,971,341</u>
Depreciation	<u>59,983</u>	<u>-</u>	<u>-</u>	<u>23,321</u>	<u>-</u>	<u>83,304</u>
Total functional expenses	<u><u>\$ 1,878,992</u></u>	<u><u>\$ 117,998</u></u>	<u><u>\$ 37,326</u></u>	<u><u>\$ 25,829</u></u>	<u><u>\$ (5,500)</u></u>	<u><u>\$ 2,054,645</u></u>

**A BETTER WAY SERVICES, INC.
FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

2019

	<u>A Better Way</u>			<u>Building Corporation Programs</u>	<u>Eliminations</u>	<u>Combined</u>
	<u>A Better Way Programs</u>	<u>Management and General</u>	<u>Fundraising</u>			
Salaries	\$ 1,009,797	\$ 95,600	\$ 27,611	\$ -	\$ -	\$ 1,133,008
Employee benefits	142,502	12,551	2,418	-	-	157,471
Payroll taxes	76,574	6,984	2,139	-	-	85,697
Professional fees	45,634	17,560	-	850	-	64,044
Supplies	48,607	5,957	3,902	-	-	58,466
Telephone	10,414	1,772	-	-	-	12,186
Postage	34	712	250	-	-	996
Occupancy	118,594	-	-	-	(7,337)	111,257
Equipment rental and maintenance	9,384	9,987	-	-	-	19,371
Conferences and training workshops	9,015	797	1,000	-	-	10,812
Transportation	8,811	111	-	-	-	8,922
Membership dues	1,024	198	-	-	-	1,222
Insurance	40,381	5,680	272	-	-	46,333
Food	13,381	-	15,600	-	-	28,981
Miscellaneous	4,403	2,661	-	1,008	-	8,072
Total expenses before depreciation	1,538,555	160,570	53,192	1,858	(7,337)	1,746,838
Depreciation	61,923	-	-	24,181	-	86,104
Total functional expenses	\$ 1,600,478	\$ 160,570	\$ 53,192	\$ 26,039	\$ (7,337)	\$ 1,832,942

**A BETTER WAY SERVICES, INC. AND
FAMILY SERVICES OF DELAWARE COUNTY BUILDING CORPORATION
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	2020				2019			
	A Better Way	Building Corporation	Eliminations	Combined	A Better Way	Building Corporation	Eliminations	Combined
Cash flow from operating activities								
Change in net assets	\$ 38,779	\$ (16,894)	\$ -	\$ 21,885	\$ 45,187	\$ (14,878)	\$ -	\$ 30,309
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:								
Depreciation	59,983	23,321	-	83,304	61,923	24,181	-	86,104
(Gain) loss on sale of assets	(1,522)	-	-	(1,522)	335	-	-	335
Realized gain on beneficial interest in assets held by community foundation	(7,277)	-	-	(7,277)	(1,453)	-	-	(1,453)
Unrealized (gain) loss on beneficial interest in assets held by community foundation	6,751	-	-	6,751	(3,445)	-	-	(3,445)
(Increase) decrease in assets:								
Accounts receivable	(115,763)	-	-	(115,763)	45,023	-	-	45,023
Increase (decrease) in liabilities:								
Deposits	(695)	-	-	(695)	688	-	-	688
Accounts payable	(4,110)	-	-	(4,110)	285	-	-	285
Accrued and withheld liabilities	26,060	-	-	26,060	10,697	-	-	10,697
Net cash provided by operating activities	2,206	6,427	-	8,633	159,240	9,303	-	168,543
Cash flow from investing activities								
Purchase of property and equipment	(24,631)	-	-	(24,631)	(48,152)	-	-	(48,152)
Proceeds from sale of property and equipment	5,831	-	-	5,831	430	-	-	430
Net change in beneficial interest in assets held by community foundation	(1,908)	-	-	(1,908)	(2,454)	-	-	(2,454)
Net cash used by investing activities	(20,708)	-	-	(20,708)	(50,176)	-	-	(50,176)
Cash flow from financing activities								
Proceeds received on note receivable	-	14,579	-	14,579	35,000	7,863	(35,000)	7,863
Principal payments on note receivable	-	-	-	-	-	(35,000)	35,000	-
Proceeds from PPP loan payable	295,935	-	-	295,935	-	-	-	-
Net cash provided (used) by financing activities	295,935	14,579	-	310,514	35,000	(27,137)	-	7,863
Net increase (decrease) in cash	277,433	21,006	-	298,439	144,064	(17,834)	-	126,230
Cash - beginning of year	419,841	39,620	-	459,461	275,777	57,454	-	333,231
Cash - end of year	\$ 697,274	\$ 60,626	\$ -	\$ 757,900	\$ 419,841	\$ 39,620	\$ -	\$ 459,461

**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, 2020**

2020

	<u>A Better Way</u>		<u>Building Corporation</u>		<u>Eliminations</u>	<u>Combined</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>		
Support and Revenue						
Public support						
Contributions	\$ 233,746	\$ -	\$ -	\$ -	\$ -	\$ 233,746
United Way of Delaware County	55,403	-	-	-	-	55,403
Total Public support	<u>289,149</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>289,149</u>
Revenue						
Community Development Block Grant	84,300	-	-	-	-	84,300
Community Mental Health Block Grant	54,350	-	-	-	-	54,350
Criminal Justice Grants	849,008	-	-	-	-	849,008
Criminal Justice Stop Grants	9,175	-	-	-	-	9,175
Domestic Violence Grant	137,901	-	-	-	-	137,901
Emergency Shelters Grant	49,887	-	-	-	-	49,887
Family Violence Grant	77,299	-	-	-	-	77,299
Preventative Health and Services Block Grant	8,981	-	-	-	-	8,981
Rapid Rehousing Grant	165,995	-	-	-	-	165,995
Sexual Assault Services Program Grant	56,915	-	-	-	-	56,915
Sexual Assault Victim Assistance Grant	165,929	-	-	-	-	165,929
Social Services Block Grant	17,500	-	-	-	-	17,500
Children's Bureau	11,850	-	-	-	-	11,850
Substance Abuse and Mental Health Services	54,602	-	-	-	-	54,602
Emergency Food and Shelter National Board Program	21,292	-	-	-	-	21,292
Rental income	3,952	-	5,500	-	(5,500)	3,952
Investment income, net	4,707	-	3,435	-	-	8,142
Outsourced services	6,740	-	-	-	-	6,740
Gain on sale of assets	1,522	-	-	-	-	1,522
Miscellaneous	2,041	-	-	-	-	2,041
Total Revenue	<u>1,783,946</u>	<u>-</u>	<u>8,935</u>	<u>-</u>	<u>(5,500)</u>	<u>1,787,381</u>
Total Support and Revenue	<u>\$ 2,073,095</u>	<u>\$ -</u>	<u>\$ 8,935</u>	<u>\$ -</u>	<u>\$ (5,500)</u>	<u>\$ 2,076,530</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, 2019**

2019

	<u>A Better Way</u>		<u>Building Corporation</u>		<u>Eliminations</u>	<u>Combined</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>		
Support and Revenue						
Public support						
Contributions	\$ 245,640	\$ -	\$ -	\$ -	\$ -	\$ 245,640
United Way of Delaware County	<u>47,676</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,676</u>
Total Public support	<u>293,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>293,316</u>
Revenue						
Community Development Block Grant	93,000	-	-	-	-	93,000
Community Mental Health Block Grant	159,500	-	-	-	-	159,500
Criminal Justice Grants	606,441	-	-	-	-	606,441
Criminal Justice SOS Grant	2,433	-	-	-	-	2,433
Criminal Justice Stop Grants	12,301	-	-	-	-	12,301
Domestic Violence Grant	220,160	-	-	-	-	220,160
Emergency Shelters Grant	47,310	-	-	-	-	47,310
Family Violence Grant	57,679	-	-	-	-	57,679
Preventative Health and Services Block Grant	3,019	-	-	-	-	3,019
Rapid Rehousing Grant	117,095	-	-	-	-	117,095
Sexual Assault Services Program Grant	61,188	-	-	-	-	61,188
Sexual Assault Victim Assistance Grant	147,663	-	-	-	-	147,663
Social Services Block Grant	15,703	-	-	-	-	15,703
Rental income	450	-	7,337	-	(7,337)	450
Investment income, net	9,339	-	3,824	-	-	13,163
Outsourced services	10,375	-	-	-	-	10,375
Miscellaneous	<u>2,455</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,455</u>
Total Revenue	<u>1,566,111</u>	<u>-</u>	<u>11,161</u>	<u>-</u>	<u>(7,337)</u>	<u>1,569,935</u>
Total Support and Revenue	<u>\$ 1,859,427</u>	<u>\$ -</u>	<u>\$ 11,161</u>	<u>\$ -</u>	<u>\$ (7,337)</u>	<u>\$ 1,863,251</u>

A BETTER WAY SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

FEDERAL GRANTOR/PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR AND NUMBER	FEDERAL EXPENDITURES
United States Department of Justice			
Sexual Assault Services Formula Program	16.017	Indiana Criminal Justice Institute, D3-18-12276	\$ 5,750
	16.017	Indiana Criminal Justice Institute, SASP-2019-00014	<u>51,165</u>
Total			<u>56,915</u>
Crime Victim Assistance	16.575	Indiana Criminal Justice Institute, 2018-00013	143,055
	16.575	Indiana Criminal Justice Institute, 2018-00050	<u>711,489</u>
Total			<u>854,544</u>
Violence Against Women Formula Grant	16.588	Indiana Criminal Justice Institute, D3-18-12230	<u>9,175</u>
Total United States Department of Justice			<u>920,634</u>
Department of Health and Human Services			
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	Indiana Criminal Justice Institute, FVPSA-2018-00022	20,630
	93.671	Indiana Criminal Justice Institute, FVPSA-2019-00016	<u>56,669</u>
Total			<u>77,299</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, 2020

FEDERAL GRANTOR/PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR AND NUMBER	FEDERAL EXPENDITURES
Social Service Block Grant	93.667	Indiana Criminal Justice Institute, SSBG-2020-00005	<u>17,500</u>
Substance Abuse and Mental Health Services, Projects of Regional and National Significance	93.243	Indiana Criminal Justice Institute, 1H79SM080382-01	<u>54,602</u>
Block Grants for Community Mental Health Services	93.958	Indiana Family and Social Services Administration, 33194	<u>54,350</u>
Preventative Health and Health Services Block Grant	93.991	Indiana Department of Health, CDC- RFA01800CONT18	<u>8,981</u>
Total Department of Health and Human Services			<u>212,732</u>
Department of Housing and Urban Development			
Emergency Solutions Grant Program	14.231	Indiana Housing and Community Development Authority, ES-019-001	<u>49,887</u>
Continuum of Care Program	14.267	IN0217D5H021800	21,945
	14.267	IN0192L5H021802	123,743
	14.267	IN0192L5H021903	<u>20,307</u>
Total			<u>165,995</u>
Total Department of Housing and Urban Development			<u>215,882</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, 2020

FEDERAL GRANTOR/PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR AND NUMBER	FEDERAL EXPENDITURES
Federal Emergency Management Agency			
Emergency Food and Shelter Program	97.024	CARES-2656-00-005	<u>21,292</u>
Total Federal Emergency Management Agency			<u>21,292</u>
Total Expenditures of Federal Awards			<u>\$ 1,370,540</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, 2020

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 and is presented on the accrual basis of accounting. 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, Costs Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of A Better Way, it is not intended to and does not present the financial position, changes in net assets, or cash flows of A Better Way.

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

Note 2 – INDIRECT COST RATE

A Better Way 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 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, 2020**

<u>STATE GRANTOR/PROGRAM</u>	<u>CONTRACT NUMBER</u>	<u>STATE EXPENDITURES</u>
State of Indiana		
Pass-through programs from:		
Indiana Criminal Justice Institute:		
Domestic Violence Prevention and Treatment	DVPT-2019-00042	\$ 149,690
Sexual Assault Victim Assistance Fund	D3-18-110115	96,231
	SAVAF-2020-0001	<u>69,697</u>
		<u>165,928</u>
Total Indiana Criminal Justice Institute		<u>315,618</u>
Total Expenditures of State Awards		<u>\$ 315,618</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, 2020 and 2019, 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 29, 2020.

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.

Handwritten signature in cursive script that reads "KEMPER CPA GROUP LLP".

Kemper CPA Group, LLP
Avon, Indiana
December 29, 2020

**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, 2020. 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, 2020.

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 29, 2020

**A BETTER WAY SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

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	16.575
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