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# STATE OF INDIANA

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January 19, 2023

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, 2020 to June 30, 2021. 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, 2021 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.

Tammy R. White

Tammy R. White, CPA
Deputy State Examiner

**A BETTER WAY SERVICES, INC.**

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

**FOR THE YEARS ENDED**
**JUNE 30, 2021 AND 2020 (COMBINED)**

**A BETTER WAY SERVICES, INC.**

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KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

# INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of A Better Way Services, Inc. (a nonprofit Corporation), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

## Management's Responsibility for the Financial Statements

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

## Auditor's Responsibility

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

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

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

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of A Better Way Services, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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**Other Matters**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The information in the statements of financial position, activities, functional expenses, and cash flows and the schedules of support and revenue for the year ended June 30, 2020, are presented for purposes of additional analysis of the financial statements for the year ended June 30, 2020, 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 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 financial statements.

The 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information, schedules of support and revenue, and schedule of expenditures of federal awards is fairly stated in all material respects in relation to the 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 February 11, 2022, on our consideration of A Better Way Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of A Better Way Services, Inc.'s 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

Kemper CPA Group, LLP
Avon, Indiana
February 11, 2022

**A BETTER WAY SERVICES, INC.**
**STATEMENTS OF FINANCIAL POSITION**
**AS OF JUNE 30, 2021 AND 2020 (COMBINED)**

| | 2021 | 2020 |
|---|---|---|
| **ASSETS** | | |
| Cash | $ 1,148,882 | $ 757,900 |
| Grants receivable | 376,768 | 267,379 |
| Prepaid expenses | 2,163 | 2,163 |
| Note receivable | 32,410 | 50,063 |
| Property and equipment, net | 1,064,665 | 1,121,904 |
| Beneficial interest in assets held by Community Foundation | 219,464 | 168,470 |
| **Total Assets** | $ 2,844,352 | $ 2,367,879 |
| **LIABILITIES** | | |
| Deposits | $ 1,250 | $ 800 |
| Accounts payable | 9,677 | 7,107 |
| Accrued and withheld liabilities | 144,162 | 121,591 |
| Paycheck Protection Program loan | 295,935 | 295,935 |
| **Total Liabilities** | 451,024 | 425,433 |
| **NET ASSETS** | | |
| Without donor restrictions | 2,393,328 | 1,942,446 |
| **Total Liabilities and Net Assets** | $ 2,844,352 | $ 2,367,879 |

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

**A BETTER WAY SERVICES, INC.**
**STATEMENTS OF ACTIVITIES**
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020 (COMBINED)**

| | 2021 | 2020 |
|---|---|---|
| **REVENUES** | | |
| Public support | $ 565,319 | $ 289,149 |
| Grants | 1,988,311 | 1,764,984 |
| Rental income | 6,362 | 3,952 |
| Investment income, net | 55,058 | 8,142 |
| Gain (loss) on sale of assets | (7,787) | 1,522 |
| Contract services - Lifeline Crisis Center | 321,975 | - |
| Other | 24,737 | 8,781 |
| **Total revenues** | 2,953,975 | 2,076,530 |
| **EXPENSES** | | |
| Program services | 2,275,676 | 1,899,321 |
| Supporting services | | |
| Management and general | 105,254 | 117,998 |
| Fundraising | 122,163 | 37,326 |
| **Total expenses** | 2,503,093 | 2,054,645 |
| **Change in net assets** | 450,882 | 21,885 |
| **NET ASSETS - beginning of year** | 1,942,446 | 1,920,561 |
| **NET ASSETS - end of year** | $ 2,393,328 | $ 1,942,446 |

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

**A BETTER WAY SERVICES, INC.**
**STATEMENTS OF FUNCTIONAL EXPENSES**
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020 (COMBINED)**

| | 2021 | | | | 2020 | | | |
|---|---|---|---|---|---|---|---|---|
| | Programs | Management and General | Fundraising | Total | Programs | Management and General | Fundraising | Total |
| Salaries | $ 1,465,252 | $ 47,433 | $ 78,536 | $ 1,591,221 | $ 1,230,567 | $ 65,818 | $ 25,798 | $ 1,322,183 |
| Employee benefits | 195,934 | 10,765 | 25,208 | 231,907 | 162,617 | 14,014 | 3,510 | 180,141 |
| Payroll taxes | 105,943 | 4,040 | 5,794 | 115,777 | 89,225 | 5,603 | 1,782 | 96,610 |
| Professional fees | 70,057 | 8,409 | - | 78,466 | 61,644 | 17,169 | - | 78,813 |
| Supplies | 49,267 | 549 | - | 49,816 | 28,561 | 796 | 1,252 | 30,609 |
| Telephone | 11,799 | 1,915 | - | 13,714 | 9,700 | 1,322 | - | 11,022 |
| Postage | 436 | 795 | - | 1,231 | 429 | 699 | 220 | 1,348 |
| Occupancy | 228,208 | - | - | 228,208 | 151,432 | - | - | 151,432 |
| Equipment rental and maintenance | 15,800 | 1,097 | - | 16,897 | 13,545 | 1,200 | - | 14,745 |
| Conferences and training workshops | 1,511 | 20 | 1,171 | 2,702 | 6,484 | - | 412 | 6,896 |
| Transportation | 4,788 | - | - | 4,788 | 10,170 | 58 | - | 10,228 |
| Membership dues | 1,000 | 1,567 | - | 2,567 | 1,320 | 720 | - | 2,040 |
| Insurance | 36,002 | 13,895 | 2,170 | 52,067 | 40,290 | 7,851 | 188 | 48,329 |
| Special events | 40 | - | - | 40 | - | - | - | - |
| Food | 5,748 | - | 344 | 6,092 | 4,968 | - | 3,704 | 8,672 |
| Miscellaneous | 5,249 | 14,769 | 8,940 | 28,958 | 5,065 | 2,748 | 460 | 8,273 |
| Total expenses before depreciation | 2,197,034 | 105,254 | 122,163 | 2,424,451 | 1,816,017 | 117,998 | 37,326 | 1,971,341 |
| Depreciation | 78,642 | - | - | 78,642 | 83,304 | - | - | 83,304 |
| **Total functional expenses** | $ 2,275,676 | $ 105,254 | $ 122,163 | $ 2,503,093 | $ 1,899,321 | $ 117,998 | $ 37,326 | $ 2,054,645 |

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

**A BETTER WAY SERVICES, INC.**
**STATEMENTS OF CASH FLOWS**
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020 (COMBINED)**

| | 2021 | 2020 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Change in net assets | $ 450,882 | $ 21,885 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 78,642 | 83,304 |
| (Gain) loss on sale of assets | 7,787 | (1,522) |
| Realized gain on beneficial interest in assets held by community foundation | (10,913) | (7,277) |
| Unrealized (gain) loss on beneficial interest in assets held by community foundation | (38,194) | 6,751 |
| (Increase) decrease in assets: | | |
| Accounts receivable | (109,389) | (115,763) |
| Increase (decrease) in liabilities: | | |
| Deposits | 450 | (695) |
| Accounts payable | 2,570 | (4,110) |
| Accrued and withheld liabilities | 22,571 | 26,060 |
| **Net Cash Provided by Operating Activities** | 404,406 | 8,633 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Purchase of property and equipment | (27,972) | (24,631) |
| Proceeds from sale of property and equipment | 50 | 5,831 |
| Assumption of note receivable from acquisition | 41,410 | - |
| Net change in beneficial interest in assets held held by community foundation | (50,994) | (1,908) |
| **Net Cash Used by Investing Activities** | (37,506) | (20,708) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Proceeds received on note receivable | 24,082 | 14,579 |
| Proceeds from Paycheck Protection Program loan | - | 295,935 |
| **Net Cash Provided by Financing Activities** | 24,082 | 310,514 |
| **Net Increase in Cash** | 390,982 | 298,439 |
| **CASH - Beginning of Year** | 757,900 | 459,461 |
| **CASH - End of Year** | $ 1,148,882 | $ 757,900 |

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

**A BETTER WAY SERVICES, INC.**
**NOTES TO FINANCIAL STATEMENTS**
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020 (COMBINED)**

## Note 1 – NATURE OF OPERATIONS

*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.

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.

*Financial Statements* – For the year ended June 30, 2020, these two entities were presented as financial statements which included all accounts of A Better Way and the Building Corporation. The Building Corporation's principal business activity was leasing property to A Better Way. All significant intercompany accounts and transactions were eliminated in combination for the year ended June 30, 2020.

On December 31, 2020, A Better Way acquired the Building Corporation for ease of operations and funding opportunities. Accordingly, the results of operations for the Building Corporation have been included in the accompanying financial statements from that date forward. These entities are now reported as A Better Way Services, Inc. and hereinafter are referred to as "the Organization."

Recognized amounts of assets acquired at fair value were property and equipment, net of accumulated depreciation of $224,608 and a note receivable balance of $41,410. No consideration was given for the acquisition which resulted in the acquisition being accounted for as a bargain purchase. Accordingly, A Better Way recognized a gain of $266,018, which is included in gain of acquisition in the statement of activities – net assets for the year ended June 30, 2021.

## Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

*Basis of Presentation* – The Organization 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 Organization did not have any net assets with donor restrictions as of June 30, 2021 and 2020.

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

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 Organization, 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.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by the donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restriction to net assets without donor restrictions.

*Grants Receivable* – Grants receivable represent consideration from state and local government agencies, of which the Organization has 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, 2021 and 2020, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

*Property and Equipment* – The Organization records 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 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 Organization 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 Organization 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 statements of financial position, with distributions and changes in fair value recognized in the 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.

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

Revenues from exchange transactions are recorded in accordance with Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* and ASU 2014-09 *Revenue from Contracts with Customers* and all subsequent amendments to ASU 2014-09 (collectively, "ASC 606"), as described in Note 3 – Revenue Recognition.

*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 14 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 Organization's program services, administration, and fundraising activities; however, the 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 10 for additional detail on donated services. Donated materials and equipment are reflected as contributions in the accompanying 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 statements of activities. The 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. Categories of expenses that are attributable to one or more programs or supporting functions of the Organization have been allocated based on time and usage by personnel and programs. The most significant allocations are salaries and employee benefits, which were allocated based upon estimates of time spent by personnel. Although the method is appropriate, other methods may have provided different results.

*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 was 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). A final tax-exempt return will be filed as of December 31, 2020.

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 the entities are not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

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

*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 Organization manages 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.

## Note 3 – REVENUE RECOGNITION

*Revenue Recognition Standard* – Effective July 1, 2020, the Organization adopted Accounting Standards Update (ASU) No. 2014-09 Revenue from Contracts with Customers *(Topic 606).* ASU 2014-09 replaced previous revenue recognition guidance under accounting principles generally accepted in the United States of America and requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

*Revenue Recognition Policy* – The Organization's revenues fall within the scope of ASC 606 include:

> A Better Way earns revenue through the general program services they provide, which include services that assist primary and secondary victims of crime to stabilize their lives after victimization. These services include assistance with shelter, advocacy services for victims, emotional support, and other program services to meet the physical and emotional needs of victims. Revenues are recognized at a point in time when services are rendered.
>
> A Better Way contracts services under a network agreement with Mental Health Association of New York City, Inc. c/b/a Vibrant Emotional Health (Vibrant). In this agreement, A Better Way participates as a Lifeline Chat Care Center to assist individuals in emotional distress or suicide crisis. Performance obligations are defined in the network agreement as operating the crisis line for an agreed upon number of hours per week and assuring a determined minimum number of calls per month. A Better Way is required to provide monthly data for activity and revenue is recognized when billed to Vibrant as services are provided on a monthly basis.
>
> Rental income is received as rent from Passageway and is recognized when rent is received or when the Organization fulfills their performance obligation.

*Performance Obligations* – Performance obligations pertaining to program services fees are defined by management as individual services rendered to clients. As each service is performed, A Better Way recognizes program service fee revenue.

## Note 4 – LIQUIDITY AND AVAILABILITY

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

| | 2021 | 2020 |
|---|---|---|
| Financial assets at year-end | | |
| Cash | $ 1,148,882 | $ 757,900 |
| Grants receivable | 376,768 | 267,379 |
| Notes receivable | 32,410 | 50,063 |
| Beneficial interest in assets held by community foundation | 219,464 | 168,470 |
| Less those unavailable for general expenditure within one year, due to: | | |
| Notes receivable payments due in more than one year | - | (46,683) |
| Distributions from beneficial interest in assets held by community foundation due in more than one year | (152,142) | (108,120) |
| | $ 1,625,382 | $ 1,089,009 |

## Note 5 – FAIR VALUE MEASUREMENTS

The Organization reports certain assets at fair value in the 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.

**Note 5 – FAIR VALUE MEASUREMENTS (Continued)**

The following table presents assets measured at fair value on a recurring basis at June 30, 2021 and 2020:

| | Significant Unobservable Inputs (Level 3) |
|---|---|
| June 30, 2021 | |
| Beneficial interest in assets held by Community Foundation | $ 219,464 |
| June 30, 2020 | |
| Beneficial interest in assets held by Community Foundation | $ 168,470 |

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, 2021 and 2020:

| | 2021 | 2020 |
|---|---|---|
| Beginning balance | $ 168,470 | $ 166,037 |
| Interest and dividends | 4,179 | 3,818 |
| Realized gains | 10,913 | 7,277 |
| Unrealized gain (loss) | 38,194 | (6,751) |
| Investment expenses | (2,292) | (1,911) |
| Ending balance | $ 219,464 | $ 168,470 |

**Note 6 – 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%. Upon A Better Way's acquisition of the Building Corp. on 12/31/20, the remaining balance of $41,410 was transferred to A Better Way. The terms of the note remained unchanged.

## Note 7 – PROPERTY AND EQUIPMENT

| | 2021 | 2020 |
|---|---|---|
| Buildings | $ 2,096,084 | $ 2,142,719 |
| Vehicles | 50,804 | 70,804 |
| Equipment | 96,818 | 155,434 |
| Furniture and fixtures | 13,368 | 25,447 |
| Land | 44,000 | 44,000 |
| Less accumulated depreciation | (1,236,409) | (1,316,500) |
| | $ 1,064,665 | $ 1,121,904 |

Depreciation expense for the years ended June 30, 2021 and 2020 was $78,642 and $83,304, respectively.

## Note 8 – 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, 2021 and 2020. At June 30, 2021 and 2020, $67,322 and $60,350, respectively, of spendable funds were available for withdrawal.

## Note 9 – 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, 2021 was $94,294 with an available spending balance of $18,516. The balance in this account at June 30, 2020 was $71,302 with an available spending balance of $15,650. There were no distributions received from this fund for the years ended June 30, 2021 and 2020.

## Note 10 – 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 6,567 total volunteer hours received for the year ended June 30, 2021 has an estimated fair value of $91,931. The 4,690 total volunteer hours received for the year ended June 30, 2020 has an estimated fair value of $65,657. The hours and estimated fair values of services presented are unaudited amounts provided by management.

## Note 11 – PENSION PLANS

A Better Way maintains two defined-contribution pension plans and substantially all employees considered full-time by A Better Way Services, Inc. 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, 2021 and 2020 amounted to $43,936 and $48,496, respectively.

## Note 12 – 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 13 – 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.

## NOTE 14 – PAYCHECK PROTECTION PROGRAM LOAN

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 Paycheck Protection Program loan bears 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 Paycheck Protection Program loan is subject to forgiveness under the Paycheck Protection Program upon A Better Way Services, Inc.'s request to the extent that the 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 Paycheck Protection Program loan with respect to those covered expenses that were incurred. To the extent that all or part of the loan is not forgiven, A Better Way Services, Inc. will be required to pay interest on the Paycheck Protection Program 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 Paycheck Protection Program loan provide for customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events. The Paycheck Protection Program loan may be accelerated upon the occurrence of an event of default.

## NOTE 15 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events and transactions that occurred after the balance sheet date up to February 11, 2022, the date that the financial statements were issued. On November 29, 2021, the Organization received partial forgiveness of their principal balance and accrued interest on the Paycheck Protection Program loan of $88,945. The remaining balance of $205,534 with accrued interest of $6,085 was paid back in full.

On August 8, 2021, A Better Way acquired the assets of Genesis of Richmond, Inc., a not-for-profit corporation located in Richmond, Indiana, that operates with a similar mission of A Better Way. The recognized amounts of assets and liabilities of this acquisition have yet to be determined.

# SUPPLEMENTARY INFORMATION

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

| | 2020 | | | |
|---|---|---|---|---|
| | A Better Way | Building Corporation | Eliminations | Combined |
| **ASSETS** | | | | |
| Cash | $ 697,274 | $ 60,626 | $ - | $ 757,900 |
| Accounts receivable | 267,379 | - | - | 267,379 |
| Prepaid expenses | 2,163 | - | - | 2,163 |
| Property and equipment, net | 884,662 | 237,242 | - | 1,121,904 |
| Beneficial interest in assets held by community foundation | 168,470 | - | - | 168,470 |
| Note receivable | - | 50,063 | - | 50,063 |
| Note receivable, Building Corporation | 82,371 | - | (82,371) | - |
| **Total Assets** | $ 2,102,319 | $ 347,931 | $ (82,371) | $ 2,367,879 |
| **LIABILITIES AND NET ASSETS** | | | | |
| Deposits | $ 800 | $ - | $ - | $ 800 |
| Other Payables | - | - | - | - |
| Accounts payable | 7,107 | - | - | 7,107 |
| Note Payable | - | - | - | - |
| Accrued and withheld liabilities | 121,591 | - | - | 121,591 |
| Paycheck Protection Program loan payable | 295,935 | - | - | 295,935 |
| Note payable, A Better Way | - | 82,371 | (82,371) | - |
| **Total Liabilities** | 425,433 | 82,371 | (82,371) | 425,433 |
| **NET ASSETS** | | | | |
| Without donor restrictions | 1,676,886 | 265,560 | - | 1,942,446 |
| **Total Liabilities and Net Assets** | $ 2,102,319 | $ 347,931 | $ (82,371) | $ 2,367,879 |

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

| | 2020 | | | |
|---|---|---|---|---|
| | A Better Way | Building Corporation | Eliminations | Combined |
| **SUPPORT AND REVENUE** | | | | |
| Public support | $ 289,149 | $ - | $ - | $ 289,149 |
| Revenue | 1,783,946 | 8,935 | (5,500) | 1,787,381 |
| **Total support and revenue** | 2,073,095 | 8,935 | (5,500) | 2,076,530 |
| **EXPENSES** | | | | |
| Program services | 1,878,992 | 25,829 | (5,500) | 1,899,321 |
| Supporting services | | | | |
| Management and General | 117,998 | - | - | 117,998 |
| Fundraising | 37,326 | - | - | 37,326 |
| **Total expenses** | 2,034,316 | 25,829 | (5,500) | 2,054,645 |
| **Change in net assets** | 38,779 | (16,894) | - | 21,885 |
| **NET ASSETS - beginning of year** | 1,638,107 | 282,454 | - | 1,920,561 |
| **NET ASSETS - end of year** | $ 1,676,886 | $ 265,560 | $ - | $ 1,942,446 |

**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 | | | | | |
|---|---|---|---|---|---|---|
| | A Better Way | | | Building | | |
| | A Better Way Programs | Management and General | Fundraising | Corporation Programs | Eliminations | Combined |
| 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 | 1,819,009 | 117,998 | 37,326 | 2,508 | (5,500) | 1,971,341 |
| Depreciation | 59,983 | - | - | 23,321 | - | 83,304 |
| **Total functional expenses** | $ 1,878,992 | $ 117,998 | $ 37,326 | $ 25,829 | $ (5,500) | $ 2,054,645 |

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

| | 2020 | | | |
|---|---|---|---|---|
| | A Better Way | Building Corporation | Eliminations | Combined |
| **Cash flow from operating activities** | | | | |
| Change in net assets | $ 38,779 | $ (16,894) | $ - | $ 21,885 |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | | | |
| Depreciation | 59,983 | 23,321 | - | 83,304 |
| Gain on sale of assets | (1,522) | - | - | (1,522) |
| Realized gain on beneficial interest in assets held by community foundation | (7,277) | - | - | (7,277) |
| Unrealized loss on beneficial interest in assets held by community foundation | 6,751 | - | - | 6,751 |
| (Increase) decrease in assets: | | | | |
| Accounts receivable | (115,763) | - | - | (115,763) |
| Increase (decrease) in liabilities: | | | | |
| Deposits | (695) | - | - | (695) |
| Accounts payable | (4,110) | - | - | (4,110) |
| Accrued and withheld liabilities | 26,060 | - | - | 26,060 |
| **Net cash provided by operating activities** | 2,206 | 6,427 | - | 8,633 |
| **Cash flow from investing activities** | | | | |
| Purchase of property and equipment | (24,631) | - | - | (24,631) |
| Proceeds from sale of property and equipment | 5,831 | - | - | 5,831 |
| Net change in beneficial interest in assets held by community foundation | (1,908) | - | - | (1,908) |
| **Net cash used by investing activities** | (20,708) | - | - | (20,708) |
| **Cash flow from financing activities** | | | | |
| Proceeds received on note receivable | - | 14,579 | - | 14,579 |
| Proceeds from Paycheck Protection Program loan | 295,935 | - | - | 295,935 |
| **Net cash provided by financing activities** | 295,935 | 14,579 | - | 310,514 |
| **Net increase in cash** | 277,433 | 21,006 | - | 298,439 |
| **Cash - beginning of year** | 419,841 | 39,620 | - | 459,461 |
| **Cash - end of year** | $ 697,274 | $ 60,626 | $ - | $ 757,900 |

**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 | | | | | |
|---|---|---|---|---|---|---|
| | A Better Way | | Building Corporation | | | |
| | Without Donor Restrictions | With Donor Restrictions | Without Donor Restrictions | With Donor Restrictions | Eliminations | Combined |
| **Support and Revenue** | | | | | | |
| **Public support** | | | | | | |
| Contributions | $ 233,746 | $ - | $ - | $ - | $ - | $ 233,746 |
| United Way of Delaware County | 55,403 | - | - | - | - | 55,403 |
| **Total Public support** | 289,149 | - | - | - | - | 289,149 |
| **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** | 1,783,946 | - | 8,935 | - | (5,500) | 1,787,381 |
| **Total Support and Revenue** | $ 2,073,095 | $ - | $ 8,935 | $ - | $ (5,500) | $ 2,076,530 |

**A BETTER WAY SERVICES, INC.**
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**FOR THE YEAR ENDED JUNE 30, 2021**

| 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, SASP-2019-00014 | $ 8,245 |
| | 16.017 | | Indiana Criminal Justice Institute, SASP-2020-0005 | 46,927 |
| Total Sexual Assault Services Formula Program | | | | 55,172 |
| Crime Victim Assistance | 16.575 | **(M)** | Indiana Criminal Justice Institute, 2018-00013 | 38,184 |
| | 16.575 | **(M)** | Indiana Criminal Justice Institute, 2018-00050 | 195,447 |
| | 16.575 | **(M)** | Indiana Criminal Justice Institute, 2020-00045 | 525,466 |
| | 16.575 | **(M)** | Indiana Criminal Justice Institute, COVID-2020-00041 | 27,603 |
| | 16.575 | **(M)** | Indiana Criminal Justice Institute, UND-2020-00006 | 79,638 |
| Total Crime Victim Assistance | | | | 866,338 |
| Violence Against Women Formula Grant | 16.588 | | Indiana Criminal Justice Institute, WF-AX-0031 | 11,084 |
| **Total United States Department of Justice** | | | | 932,594 |

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, 2021**

| FEDERAL GRANTOR/PROGRAM OR CLUSTER TITLE | FEDERAL CFDA NUMBER | PASS-THROUGH GRANTOR AND NUMBER | FEDERAL EXPENDITURES |
|---|---|---|---|
| **Department of Health and Human Services** | | | |
| Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services | 93.671 | Indiana Criminal Justice Institute, FVPSA-2018-00016 | 17,432 |
| | 93.671 | Indiana Criminal Justice Institute, FVPSA-2019-00012 | 46,875 |
| | 93.671 | Indiana Criminal Justice Institute, Cares Act | 18,152 |
| Total Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services | | | 82,459 |
| Substance Abuse and Mental Health Services, Projects of Regional and National Significance | 93.243 | Indiana Criminal Justice Institute, 1H79SM080382-01 | 149,930 |
| **Total Department of Health and Human Services** | | | 232,389 |
| **Department of Housing and Urban Development** | | | |
| Emergency Solutions Grant Program | 14.231 | Indiana Housing and Community Development Authority, ES-020-001 | 50,984 |
| | 14.231 | Indiana Housing and Community Development Authority, ESES-CV-020-0020 | 11,403 |
| Total Emergency Solutions Grant Program | | | 62,387 |

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, 2021**

| FEDERAL GRANTOR/PROGRAM OR CLUSTER TITLE | FEDERAL CFDA NUMBER | | PASS-THROUGH GRANTOR AND NUMBER | FEDERAL EXPENDITURES |
|---|---|---|---|---|
| **Department of Housing and Urban Development (Continued)** | | | | |
| Continuum of Care Program | 14.267 | **(M)** | IN0192L5H021903 | 117,268 |
| | 14.267 | **(M)** | IN0192L5H022004 | 22,304 |
| | 14.267 | **(M)** | IN0220D5H021900 | 235,071 |
| Total Continuum of Care Program | | | | 374,643 |
| **Total Department of Housing and Urban Development** | | | | 437,030 |
| **Federal Emergency Management Agency** | | | | |
| Emergency Food and Shelter Program | 97.024 | | CARES-2656-00-005 | 9,821 |
| **Total Federal Emergency Management Agency** | | | | 9,821 |
| **Total Expenditures of Federal Awards** | | | | $ 1,611,834 |

**(M) Major Program**

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, 2021**

## 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, 2021**

| STATE GRANTOR/PROGRAM | CONTRACT NUMBER | STATE EXPENDITURES |
|---|---|---|
| **State of Indiana** | | |
| Pass-through programs from: | | |
| Indiana Criminal Justice Institute: | | |
| Domestic Violence Prevention and Treatment | DVPT-2019-00042 | $ 121,558 |
| Sexual Assault Victim Assistance Fund | SAVAF-2020-0001 | 153,419 |
| **Total Indiana Criminal Justice Institute** | | 274,977 |
| **Total Expenditures of State Awards** | | $ 274,977 |

KEMPER
CPA GROUP LLP
Certified Public Accountants and Consultants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of A Better Way Services, Inc. (nonprofit organization), which comprise the statement of financial position as of June 30, 2021 and 2020, and the related statement of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated February 11, 2022.

## Internal Control Over Financial Reporting

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

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

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether A Better Way Services, Inc.'s 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 financial statements. 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*.

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**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.

Kemper CPA Group, LLP
Avon, Indiana
February 11, 2022

KEMPER
CPA GROUP LLP
Certified Public Accountants and Consultants

# 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, 2021. 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, 2021.

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**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

Kemper CPA Group, LLP
Avon, Indiana
February 11, 2022

**A BETTER WAY SERVICES, INC.**
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**
**FOR THE YEAR ENDED JUNE 30, 2021**

**Summary of auditor's results**

1. The auditor's report expresses an unmodified opinion on the financial statements of A Better Way Services, Inc.

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:

| Program | CFDA |
|---|---|
| Crime Victim Assistance | 16.575 |
| Continuum of Care Program | 14.267 |

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