

**Alternatives Incorporated of Madison County**

Financial Statements  
Together with Independent Auditor's Report

For the Years Ended June 30, 2024 and 2023



# Alternatives Incorporated of Madison County

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# Donovan CPAs

## *Independent Auditor's Report*

The Board of Trustees  
Alternatives Incorporated of Madison County  
Anderson, Indiana

### **Opinion**

We audited the accompanying financial statements of Alternatives Incorporated of Madison County (Alternatives), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Alternatives as of June 30, 2024 and 2023 and the results of its operations, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of the Alternatives and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about Alternatives' ability to continue as a going concern for one year after the date the financial statements are available to be issued.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Alternatives' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about Alternatives' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters we identified during the audit.

## Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information 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 additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 also issued our report dated December 2, 2024 on our consideration of Alternatives' 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 Alternatives' 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 Alternatives' internal control over financial reporting and compliance.

A handwritten signature in dark ink that reads "Donovan". The signature is stylized with a large, looped 'D' and a trailing flourish.

Donovan CPAs  
Indianapolis, Indiana  
December 2, 2024

**Alternatives Incorporated of Madison County**  
**Statements of Financial Position**  
**June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 771,800	\$ 626,531
Short-term investments	809,975	725,925
Grants receivable	132,325	150,233
Prepaid expenses	27,482	19,683
Total current assets	<u>1,741,582</u>	<u>1,522,372</u>
<b>Fixed Assets, Net</b>	1,782,940	1,877,063
<b>Other Assets</b>		
Long-term investments	<u>11,639</u>	<u>11,217</u>
<b>Total Assets</b>	<u><u>\$ 3,536,161</u></u>	<u><u>\$ 3,410,652</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 34,107	\$ 15,113
Accrued expenses	110,426	108,001
Refundable advances	50,730	-
Deferred revenue	15,616	9,142
Total current liabilities	<u>210,879</u>	<u>132,256</u>
<b>Net Assets</b>		
Without donor restrictions	3,305,574	3,259,110
With donor restrictions	19,708	19,286
Total net assets	<u>3,325,282</u>	<u>3,278,396</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 3,536,161</u></u>	<u><u>\$ 3,410,652</u></u>

See independent auditor's report and notes to the financial statements

**Alternatives Incorporated of Madison County**  
**Statements of Activities and Change in Net Assets**  
**For the Years Ended June 30, 2024 and 2023**

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>						
Federal funding	\$ 839,261	\$ -	\$ 839,261	\$ 836,162	\$ -	\$ 836,162
State and local funding	235,279	-	235,279	210,792	-	210,792
Foundations and other grants	100,638	-	100,638	124,533	-	124,533
Contributions:						
United Way of Central Indiana	86,168	-	86,168	103,732	-	103,732
United Way of Madison County	30,857	-	30,857	36,199	-	36,199
Other cash contributions	185,791	-	185,791	169,168	-	169,168
In-kind contributions	196,760	-	196,760	127,402	-	127,402
Service revenue	54,504	-	54,504	48,390	-	48,390
Fundraising event revenue	101,454	-	101,454	85,173	-	85,173
Miscellaneous	-	-	-	44,826	-	44,826
Net assets released from restrictions	-	-	-	312	(312)	-
Total revenue and support	<u>1,830,712</u>	<u>-</u>	<u>1,830,712</u>	<u>1,786,689</u>	<u>(312)</u>	<u>1,786,377</u>
<b>Expenses</b>						
Program services	1,679,450	-	1,679,450	1,582,170	-	1,582,170
Management and general	142,712	-	142,712	130,995	-	130,995
Fundraising	62,223	-	62,223	42,655	-	42,655
Total expenses	<u>1,884,385</u>	<u>-</u>	<u>1,884,385</u>	<u>1,755,820</u>	<u>-</u>	<u>1,755,820</u>
<b>Change in Net Assets from Operations</b>	(53,673)	-	(53,673)	30,869	(312)	30,557
<b>Non-Operating Income (Loss)</b>						
Investment income (loss), net	100,137	422	100,559	52,962	(5,730)	47,232
<b>Change in Net Assets</b>	46,464	422	46,886	83,831	(6,042)	77,789
<b>Net Assets, Beginning of Year</b>	<u>3,259,110</u>	<u>19,286</u>	<u>3,278,396</u>	<u>3,175,279</u>	<u>25,328</u>	<u>3,200,607</u>
<b>Net Assets, End of Year</b>	<u>\$ 3,305,574</u>	<u>\$ 19,708</u>	<u>\$ 3,325,282</u>	<u>\$ 3,259,110</u>	<u>\$ 19,286</u>	<u>\$ 3,278,396</u>

See independent auditor's report and notes to the financial statements

**Alternatives Incorporated of Madison County**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2024**

	Program Services										
	Crisis		Off-Site	Sexual	Children's	Family	Program		Management	Fundraising	Total
	Residential	On-Site TH	SSTH/RRH	Assault	Advocacy	Violence	Outreach	Prevention			
Salaries	\$ 297,735	\$ 85,533	\$ 69,570	\$ 420	\$ 75,321	\$ 132,352	\$ 44,942	\$ 705,873	\$ 87,504	\$ 33,639	\$ 827,016
Direct client assistance	37,508	8,206	316,338	-	252	10,638	-	372,942	-	-	372,942
Supplies	138,880	1,001	19,917	131	747	2,819	240	163,735	2,799	12,689	179,223
Employee benefits	51,508	14,850	11,834	28	13,630	22,625	8,232	122,707	14,593	5,192	142,492
Occupancy	67,654	17,557	9,553	6,036	10,058	8,190	986	120,034	12,779	1,217	134,030
Depreciation	49,923	14,354	1,101	5,186	8,226	2,475	847	82,112	10,965	1,046	94,123
Professional fees	14,881	5,737	8,129	6	2,740	8,422	1,870	41,785	3,385	4,370	49,540
Telephone	10,302	1,376	1,940	80	1,117	3,769	627	19,211	1,311	431	20,953
Travel	2,716	312	4,854	-	3,043	3,264	2,242	16,431	1,544	577	18,552
Insurance	8,381	2,531	437	926	1,351	303	93	14,022	1,781	204	16,007
Printing	2,644	24	41	-	335	3,335	268	6,647	49	1,795	8,491
Maintenance and repairs	2,817	1,449	189	62	290	374	130	5,311	351	87	5,749
Training and registration	59	49	588	-	2,448	342	-	3,486	1,030	33	4,549
Postage and delivery	727	144	71	17	104	156	48	1,267	127	265	1,659
Dues and fees	500	-	-	-	-	360	-	860	-	-	860
Miscellaneous	27	-	-	-	-	3,000	-	3,027	4,494	678	8,199
	\$ 686,262	\$ 153,123	\$ 444,562	\$ 12,892	\$ 119,662	\$ 202,424	\$ 60,525	\$1,679,450	\$ 142,712	\$ 62,223	\$1,884,385

See independent auditor's report and notes to the financial statements



**Alternatives Incorporated of Madison County**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2023**

**Program Services**

	Program							Management				
	Crisis		Off-Site	Sexual	Children's	Family		Services				
	Residential	On-Site TH	SSTH/RRH	Assault	Advocacy	Violence	Outreach	Prevention	Total	and General	Fundraising	Total
Salaries	\$ 298,042	\$ 55,835	\$ 76,844	\$ 130	\$ 70,337	\$ 131,789	\$ 40,409	\$ 673,386	\$ 78,159	\$ 20,111	\$ 771,656	
Direct client assistance	44,634	5,710	311,788	-	1,730	6,565	-	370,427	-	-	370,427	
Supplies	97,387	4,993	15,584	148	2,099	891	311	121,413	846	10,000	132,259	
Employee benefits	50,555	11,181	11,974	27	12,430	24,267	6,918	117,352	14,879	4,034	136,265	
Occupancy	54,147	14,963	5,697	4,471	7,428	8,816	899	96,421	9,810	1,004	107,235	
Depreciation	49,411	13,649	2,220	4,583	8,662	4,330	1,498	84,353	11,382	1,080	96,815	
Professional fees	19,795	5,431	5,809	20	4,689	9,988	2,364	48,096	4,928	4,639	57,663	
Telephone	10,364	995	1,663	2	1,170	3,271	647	18,112	1,297	357	19,766	
Travel	2,108	157	4,273	-	1,134	2,169	1,921	11,762	1,004	106	12,872	
Insurance	14,659	4,204	956	1,480	2,439	856	295	24,889	3,222	323	28,434	
Printing	216	-	188	-	-	518	24	946	231	215	1,392	
Maintenance and repairs	2,286	1,039	144	19	176	277	84	4,025	186	50	4,261	
Training and registration	1,203	25	384	-	2,189	779	365	4,945	1,017	-	5,962	
Postage and delivery	891	152	129	-	144	314	60	1,690	205	181	2,076	
Dues and fees	919	-	-	-	-	340	-	1,259	199	-	1,458	
Miscellaneous	75	19	-	-	-	3,000	-	3,094	3,630	555	7,279	
	\$ 646,692	\$ 118,353	\$ 437,653	\$ 10,880	\$ 114,627	\$ 198,170	\$ 55,795	\$1,582,170	\$ 130,995	\$ 42,655	\$1,755,820	

See independent auditor's report and notes to the financial statements

**Alternatives Incorporated of Madison County**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Operating Activities</b>		
Change in net assets	\$ 46,886	\$ 77,789
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation	94,123	96,815
Unrealized gain on investments	(98,018)	(46,467)
Changes in certain assets and liabilities:		
Grants receivable	17,908	(39,414)
Prepaid expenses	(7,799)	7,463
Accounts payable	18,994	(8,117)
Accrued expenses	2,425	6,962
Refundable advances	50,730	-
Deferred revenue	6,474	(12,325)
Net change in cash from operating activities	<u>131,723</u>	<u>82,706</u>
<b>Investing Activities</b>		
Purchases of fixed assets	-	(8,315)
Proceeds from sale of (purchases of) investments, net	<u>13,546</u>	<u>(197,420)</u>
Net change in cash from investing activities	<u>13,546</u>	<u>(205,735)</u>
<b>Net Change in Cash</b>	145,269	(123,029)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>626,531</u>	<u>749,560</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 771,800</u>	<u>\$ 626,531</u>

See independent auditor's report and notes to the financial statements

**Alternatives Incorporated of Madison County**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2024 and 2023**

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**Note 1 – Nature of Activities**

Alternatives Incorporated of Madison County (Alternatives) is a not-for-profit organization incorporated under the laws of the State of Indiana. Alternatives' purpose is to eradicate domestic and sexual violence through education, prevention, and intervention. Alternatives serves residents of Madison, Hamilton, Hancock, Henry, Tipton, and Marion counties in Indiana. Alternatives' foundation program is an emergency shelter and transitional housing for victims of domestic and sexual violence and homelessness. Prevention and education services include collaborative projects with law enforcement organizations, healthcare providers, employers, governmental agencies, and schools. Outreach services concentrate on rural communities and underserved populations. Children's services include in-shelter preschool and an after school and summer tutoring and activity program for elementary aged children.

**Note 2 – Summary of Significant Accounting Policies**

Basis of Accounting and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which requires management to make estimates and assumptions affecting certain reported amounts and disclosures. Actual results could differ from those estimates.

Financial Statement Presentation

Alternatives reports its financial position and activities according to two classes of net assets:

- net assets without donor restrictions, which include unrestricted resources available for the operating objectives of Alternatives; and
- net assets with donor restrictions, which represent resources restricted by donors for specific time or purpose.

Cash and Cash Equivalents

Alternatives considers all highly liquid investments available for current use with an initial maturity of three months or fewer to be cash equivalents. Cash equivalents totaled \$121,281 and \$107,736 as of June 30, 2024 and 2023, respectively.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

Grants Receivable

Alternatives adopted Accounting Standards Update 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* during the year ended June 30, 2024 which introduced a forward-looking approach, based on expected losses, to estimate credit losses on certain types of financial instruments, including grants receivable. The adoption of this accounting standards update did not have a material impact on Alternatives' financial position or the result of its operations and cash flows.

**Alternatives Incorporated of Madison County**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2024 and 2023**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

Grants receivable are primarily related to grants due from state and federal governmental agencies. Alternatives believes all claims are within the terms of the grant agreements. As such, no allowance for credit losses has been provided.

Fixed Assets

Purchases of assets and expenditures which materially increase value or extend useful lives are capitalized and are included in the accounts at cost. Routine maintenance and repairs, minor replacement costs, and equipment purchases with a unit cost of less than \$1,000 are charged to expense as incurred.

Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives are as follows:

Building	40 years
Equipment	5 to 10 years
Vehicles	7 years

Refundable Advances

Alternatives receives grants, some of which must be spent in accordance with submitted budgets with any funds not expended for the designated purposes returned. Accordingly, the revenue is recognized as approved expenditures are incurred. Alternatives had refundable grant advances in excess of expenditures of \$50,730 at June 30, 2024.

Deferred Revenue

Deferred revenue consists of fees and sponsorships received for events held after the end of the fiscal year.

Taxes on Income

Alternatives received a determination from the U.S. Treasury Department stating it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code as a tax-exempt organization; however, Alternatives is subject to tax on income unrelated to its exempt purpose. For the years ended June 30, 2024 and 2023, no accounting for federal or state income taxes was required to be included in the accompanying financial statements.

Professional accounting standards require Alternatives to recognize a tax liability only if it is more likely than not the tax position would not be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax liability greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax liability is recorded. Alternatives examined this issue and determined there are no material contingent tax liabilities or questionable tax positions. The tax years ended after June 30, 2020 are open to audit for both federal and state purposes.

Subsequent Events

Alternatives evaluated subsequent events through December 2, 2024, the date these financial statements were available to be issued. Events occurring through that date have been evaluated to determine whether a change in the financial statements or related disclosures would be required.

**Alternatives Incorporated of Madison County**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2024 and 2023**

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**Note 3 – Revenue Recognition**

Revenue Recognition Policy

A majority of Alternatives' revenue is the product of cost reimbursement grants from federal, state, local, and foundation sources. Accordingly, Alternatives recognizes revenue under these grants in the amount of costs and expenses at the time they are incurred. Revenue under fee for service arrangements is recognized at the time the service delivery requirements are met.

Contributions received are measured at their fair values and are reported as an increase in net assets. Alternatives reports gifts of cash and other assets as restricted support if they are received with donor stipulations limiting the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities and change in net assets as net assets released from restrictions.

Performance Obligations

Grant revenue is recognized as the performance obligations under the grants are met, generally as allowable expenses are incurred and applied. Fundraising revenue is recognized after the performance obligation of completion of the fundraising event occurs. Program service fees are recognized as the performance obligations of agreed-upon services are provided. Contributions with and without donor restrictions are not considered exchange transactions and therefore are excluded from the requirements of ASU 2014-09.

Disaggregation of Revenue

Revenue is disaggregated by category on the statements of activities and change in net assets.

**Note 4 – In-Kind Contributions**

In-kind contributions included in the statements of activities and change in net assets are comprised of the following for the years ended June 30:

<u>Non-Financial Asset</u>	<u>2024</u>	<u>2023</u>	<u>Program Benefitted</u>	<u>Restriction</u>
Food	\$ 16,100	\$ 10,440	Crisis Residential	None
Clothing	81,554	52,328	Crisis Residential	None
Household goods	39,839	17,822	Crisis Residential	None
Fundraiser items	12,587	9,775	Fundraising	Fundraising
Occupancy service	7,290	5,790	Family Violence Outreach	None
Direct assistance	39,390	31,247	Crisis Residential	None
	<u>\$ 196,760</u>	<u>\$ 127,402</u>		

The fair values of contributed non-financial assets are recorded as reported by donors. If a fair value for contributed non-financial assets is not provided by the donor, Alternatives makes a reasonable effort to quantify the value of the contribution.

**Alternatives Incorporated of Madison County**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2024 and 2023**

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**Note 5 – Fixed Assets**

Fixed assets was comprised of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Building	\$ 3,212,589	\$ 3,212,589
Equipment	128,847	128,847
Vehicles	59,555	59,555
	<u>3,400,991</u>	<u>3,400,991</u>
Less: accumulated depreciation	(1,618,051)	(1,523,928)
Fixed assets, net	<u>\$ 1,782,940</u>	<u>\$ 1,877,063</u>

Alternatives leases the land underneath its housing facility from Community Hospital of Anderson and Madison County, Inc. under a 35-year lease terminating on June 30, 2038. The agreement provides for an annual lease payment of \$1. Alternatives has the option to extend the lease for three additional 5-year terms.

**Note 6 – Fair Value Measurements**

The framework for measuring fair value provides a fair value hierarchy prioritizing the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets Alternatives has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair measurement level within the fair value hierarchy is based on the lowest level of any input significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

**Alternatives Incorporated of Madison County**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2024 and 2023**

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**Note 6 – Fair Value Measurement (Continued)**

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024 and 2023.

*Corporate bonds and mutual funds:* The fair values of corporate bonds and mutual funds are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

*MCCF endowment:* Alternatives' assets held by Madison County Community Foundation are measured at fair value using the net asset value per share (or its equivalent) practical expedient. These assets have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

The tables below set forth by level within the fair value hierarchy Alternatives' assets at fair value.

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV <sup>(A)</sup></u>
June 30, 2024					
Corporate bonds	\$ 580,354	\$ 580,354	\$ -	\$ -	\$ -
Mutual funds	229,621	229,621	-	-	-
MCCF endowment	11,639	-	-	-	11,639
	<u>\$ 821,614</u>	<u>\$ 809,975</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,639</u>
June 30, 2023					
Corporate bonds	\$ 218,511	\$ 218,511	\$ -	\$ -	\$ -
Mutual funds	507,414	507,414	-	-	-
MCCF endowment	11,217	-	-	-	11,217
	<u>\$ 737,142</u>	<u>\$ 725,925</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,217</u>

- <sup>(A)</sup> As noted above, Alternatives' assets held by MCCF are measured at fair value using the net assets value per share (or its equivalent) as a practical expedient. These assets have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

**Alternatives Incorporated of Madison County**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2024 and 2023**

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**Note 7 – Net Assets with Donor Restrictions**

Net assets with donor restrictions represent resources received from contributors which had not been expended for donor-restricted purposes or were held in perpetuity. Net assets with donor restrictions were available for the following purposes as of June 30:

	<u>2024</u>	<u>2023</u>
Truck	\$ 2,813	\$ 2,813
School uniforms	2,348	2,348
Drug use education	1,003	1,003
Other	1,905	1,905
Held by MCCF	11,639	11,217
	<u>\$ 19,708</u>	<u>\$ 19,286</u>

Net assets were released from donor restrictions by incurring expenses or purchasing assets satisfying the restricted purpose. The following purpose restrictions were accomplished during the years ended June 30:

	<u>2024</u>	<u>2023</u>
Truck	\$ -	\$ 312

Net assets with donor restrictions held by MCCF represent investment assets permanently held by MCCF. Income from the investments is available to support Alternatives' activities. Under terms of the agreement, MCCF has been granted variance authority related to the fund assets and earnings.

**Note 8 – Retirement Plan**

Alternatives adopted a defined contribution retirement plan covering all employees over the age of 21 who work at least 1,000 hours per year and complete one year of service. Under the plan, Alternatives makes elective matching contributions based on the amount of compensation of each participant. The matching contribution rate was 6% in each of the years ended June 30, 2024 and 2023. Expense recognized under the plan was \$24,981 and \$22,843 during the years ended June 30, 2024 and 2023, respectively.

**Note 9 – Risks and Uncertainties**

The majority of revenues relate directly or indirectly to programs sponsored by federal and state legislation. Changes in government sponsored programs may significantly affect Alternatives.

Alternatives maintains operating cash balances at First Merchants Bank, Star Financial Bank, and PNC Bank. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. Alternatives' cash account with First Merchants Bank exceeded FDIC limits as of June 30, 2024 by approximately \$235,000.



**Alternatives Incorporated of Madison County**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2024 and 2023**

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**Note 10 – Grant Funding**

Grant funding was provided through the following sources for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Federal cost reimbursement grants:		
Crime Victim Assistance	\$ 254,292	\$ 235,939
Continuance of Care	318,316	314,496
Family Violence and Prevention Services	130,614	134,306
Education for Homeless Children	43,021	43,038
Emergency Solutions Grant	34,800	42,000
Other	27,518	39,083
	<u>808,561</u>	<u>808,862</u>
Federal fee for service agreements:		
Social Services Block Grant	30,700	27,300
Federal funding total	<u>\$ 839,261</u>	<u>\$ 836,162</u>
State and local funding:		
Domestic Violence Prevention and Treatment	\$ 230,279	\$ 202,850
Other	5,000	7,942
State and local funding total	<u>\$ 235,279</u>	<u>\$ 210,792</u>
Foundations and other grants:		
Tipton County Foundation	\$ 30,030	\$ 27,516
Youth Leadership	10,000	-
Foroulis Private Foundation	10,000	-
Sonnentag Foundation	7,000	-
Hancock Community Foundation	6,000	5,000
Centerpoint Foundation	3,500	-
Allstate Foundation	1,858	13,570
Women's Fund of Central Indiana	-	10,000
Christ Church Cathedral	-	3,000
Other	32,250	65,447
Foundations and other grants total	<u>\$ 100,638</u>	<u>\$ 124,533</u>

**Alternatives Incorporated of Madison County**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2024 and 2023**

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**Note 11 – Liquidity**

Financial assets for Alternatives include cash and cash equivalents, investments, and grants receivable. Following is a schedule of financial assets and the ability thereof to meet cash needs for general expenditures as of June 30:

	<u>2024</u>	<u>2023</u>
Financial assets	\$ 1,725,739	\$ 1,513,906
Less: those unavailable due to restrictions by donor with time or purpose	<u>(19,708)</u>	<u>(19,286)</u>
	<u>\$ 1,706,031</u>	<u>\$ 1,494,620</u>

From time to time, Alternatives receives donor restricted contributions. Because donor restrictions require resources to be used in a particular manner or in a future period, Alternatives must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of Alternative's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**Note 12 – Functional Expense Reporting**

The costs of providing activities pertaining to Alternatives' programming have been summarized on a functional basis in the statements of activities and change in net assets. Accordingly, certain expenses have been allocated between program services, management and general, and fundraising expenses.

Management allocates costs among the various functional expense categories using a combination of direct allocation and estimation. Payroll and associated costs are allocated based on employee time records. Other costs are either applied directly to the functional expense category to which they belong or are allocated using an appropriate basis, generally payroll percentages or square footage.

## **Supplementary Information**

**Alternatives Incorporated of Madison County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2024**

<b>Federal Grantor Agency/Pass-Through Entity/Cluster Title/Program Title/Project Title</b>	<b>Assistance Listing Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Total Federal Awards Expended</b>
<u><b>U.S. DEPARTMENT OF JUSTICE</b></u>			
Pass-Through Indiana Criminal Justice Institute:			
Crime Victim Assistance			
Services to Victims of Domestic Violence	16.575	VOCA-2022-00044	\$ 243,340
Services to Victims of Domestic Violence	16.575	VOCA-SUPP-2022-00073	10,952
Total U.S. Department of Justice			<u>254,292</u>
<u><b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b></u>			
Pass-Through Indiana Housing and Community Development Authority:			
Emergency Solutions Program Fund	14.231	ES-023-003	34,800
Continuum of Care Program	14.267	DVTHRR-023-0217-01	193,592
Continuum of Care Program	14.267	DVTHRR-022-0217-01	124,724
Pass-Through City of Anderson:			
Community Development Block Grants/Entitlement Grants	14.218	C-24-PS-03	773
Community Development Block Grants/Entitlement Grants	14.218	C-23-PS-01	20,368
Total U.S. Department of Housing and Urban Development			<u>374,257</u>
<u><b>FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)</b></u>			
Pass-Through United Way:			
Education Food and Shelter National Board Program	97.024	272400-002 41	<u>6,378</u>
<u><b>U.S. DEPARTMENT OF EDUCATION</b></u>			
Pass-Through Indiana Department of Education:			
Education for Homeless Children and Youth	84.196	80370	28,548
Education for Homeless Children and Youth	84.196	69859	14,473
Total U.S. Department of Education			<u>43,021</u>
<u><b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b></u>			
Pass-Through Indiana Criminal Justice Institute:			
Family Violence Prevention and Services/Domestic			
Violence Shelter and Supportive Services	93.671	FVPSA-2022-00003	25,309
Violence Shelter and Supportive Services	93.671	FVPSA-2023-00001	60,654
Violence Shelter and Supportive Services	93.671	FVPSA-TEST-2022-00016	36,654
Violence Shelter and Supportive Services	93.671	FVPSA-ARP-2021-00013	6,890
Violence Shelter and Supportive Services	93.671	FVPSA-ARP-2022-00025	1,106
Social Services Block-Grant	93.667	SSBG-2023-00012	30,700
Total U.S. Department of Health and Human Services			<u>161,313</u>
Total federal awards expended			<u>\$ 839,261</u>

See independent auditor's report and notes to this schedule

**Alternatives Incorporated of Madison County**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2024**

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**Note 1 – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of Alternatives Incorporated of Madison County (Alternatives) under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Alternatives, it is not intended to and does not present the financial position, change in net assets, functional expenses, nor cash flows of Alternatives.

**Note 2 – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance* wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented, where available.

**Note 3 – Indirect Cost Rate**

Alternatives has elected not to use the 10 percent de minimis indirect cost rate allowed under the *Uniform Guidance*.



***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***

The Board of Trustees  
Alternatives Incorporated of Madison County  
Anderson, Indiana

We 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 Alternatives Incorporated of Madison County (Alternatives), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and issued our report thereon dated December 2, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Alternatives' internal control over financial reporting (internal control) to determine the audit procedures 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 Alternatives' internal control. Accordingly, we do not express an opinion on the effectiveness of Alternatives' 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 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 which 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 which might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control we consider to be material weaknesses. However, material weaknesses may exist which have not been identified.

## Compliance and Other Matters

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

A handwritten signature in dark ink, appearing to read "DONOVAN", with a stylized, cursive-like script.

Donovan CPAs  
Indianapolis, Indiana  
December 2, 2024



# Donovan CPAs

## ***Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance***

The Board of Trustees  
Alternatives Incorporated of Madison County  
Anderson, Indiana

### **Report on Compliance for Each Major Federal Program**

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

We audited Alternatives Incorporated of Madison County (Alternatives) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* which could have a direct and material effect on each of Alternatives' major federal programs for the year ended June 30, 2024. Alternatives' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Alternatives complied, in all material respects, with the compliance requirements referred to above which could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Alternatives and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Alternatives' compliance with the compliance requirements referred to above.



### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Alternatives' federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Alternatives' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Alternatives' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Alternatives' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Alternatives' internal control over compliance relevant to the audit in order to design audit procedures appropriate in the circumstances 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 Alternatives' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance we identified during the audit.

### **Report on 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility 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 which 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance which might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance which may exist which were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

A handwritten signature in dark ink, appearing to read "Donovan", is positioned above the printed name.

Donovan CPAs  
Indianapolis, Indiana  
December 2, 2024

**Alternatives Incorporated of Madison County**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2024**

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**I. Summary of Auditor's Results**

***Financial Statements***

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiency identified?	None reported
Noncompliance material to financial statements noted?	No

***Federal Awards***

Internal control over major programs:	
• Material weakness identified?	No
• Significant deficiency identified?	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
14.267	Continuum of Care Program
Dollar threshold use to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

**II. Financial Statement Findings**

No matters are reportable.

**III. Federal Award Findings and Questioned Costs**

No matters are reportable.

**Alternatives Incorporated of Madison County**  
**Schedule of Lead Auditor**  
**For the Years Ended June 30, 2024 and 2023**

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Auditor Information:	Donovan CPAs 9292 N Meridian Street, Suite 150 Indianapolis, IN 46260
Phone Number:	(317) 844-8300
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Auditor Contact Title:	Partner
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