

ALTERNATIVES INCORPORATED OF MADISON COUNTY

FINANCIAL STATEMENTS
Together with Independent Auditors' Report

For the Years Ended June 30, 2023 and 2022



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Independent Auditors' Report

The Board of Trustees
Alternatives Incorporated of Madison County

Opinion

We audited the accompanying financial statements of Alternatives Incorporated of Madison County, which comprise the statements of financial position as of June 30, 2023 and 2022, 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 Incorporated of Madison County as of June 30, 2023 and 2022 and the changes in its net assets, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Alternatives Incorporated of Madison County 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 these 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, that raise substantial doubt about Alternatives Incorporated of Madison County's ability to continue as a going concern for one year after the date the financial statements are issued.

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Auditors' 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 auditors' 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 Incorporated of Madison County's 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, that raise substantial doubt about Alternatives Incorporated of Madison County's 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 that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 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 GAAS. 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 8, 2023 on our consideration of Alternatives Incorporated of Madison County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Incorporated of Madison County's internal control over financial reporting and compliance.

DONOVAN

A handwritten signature in dark ink that reads "DONOVAN". The signature is written in a cursive style with a large, prominent initial "D".

Indianapolis, Indiana
December 8, 2023

ALTERNATIVES INCORPORATED OF MADISON COUNTY

STATEMENTS OF FINANCIAL POSITION

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 626,531	\$ 749,560
Short-term investments	725,925	476,308
Accounts receivable	150,233	110,819
Prepaid expenses	19,683	27,146
<i>Total current assets</i>	<u>1,522,372</u>	<u>1,363,833</u>
PROPERTY AND EQUIPMENT, NET	1,877,063	1,965,563
OTHER ASSETS		
Long-term investments	11,217	16,947
TOTAL ASSETS	<u>\$ 3,410,652</u>	<u>\$ 3,346,343</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 15,113	\$ 23,230
Accrued expenses	108,001	101,039
Deferred revenue	9,142	21,467
<i>Total current liabilities</i>	<u>132,256</u>	<u>145,736</u>
NET ASSETS		
Without donor restrictions	3,259,110	3,175,279
With donor restrictions	19,286	25,328
<i>Total net assets</i>	<u>3,278,396</u>	<u>3,200,607</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,410,652</u>	<u>\$ 3,346,343</u>

See independent auditors' report and accompanying notes to the financial statements

ALTERNATIVES INCORPORATED OF MADISON COUNTY

STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS

For the Years Ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Federal funding	\$ 836,162	\$ -	\$ 836,162	\$ 826,234	\$ -	\$ 826,234
State and local funding	210,792	-	210,792	190,768	-	190,768
Foundation and other grants	124,533	-	124,533	93,724	-	93,724
Contributions:						
United Way of Central Indiana	103,732	-	103,732	124,098	-	124,098
United Way of Madison County	36,199	-	36,199	19,779	-	19,779
Other cash contributions	169,168	-	169,168	256,822	27,844	284,666
In-kind contributions	127,402	-	127,402	81,713	-	81,713
Service revenue	48,390	-	48,390	61,894	-	61,894
Fundraising revenue	85,173	-	85,173	97,395	-	97,395
Investment income (loss), net	52,962	(5,730)	47,232	(38,252)	(2,541)	(40,793)
Miscellaneous	44,826	-	44,826	-	-	-
Net assets released from restrictions	312	(312)	-	43,552	(43,552)	-
<i>Total revenue and support</i>	<u>1,839,651</u>	<u>(6,042)</u>	<u>1,833,609</u>	<u>1,757,727</u>	<u>(18,249)</u>	<u>1,739,478</u>
EXPENSES						
Program services	1,582,170	-	1,582,170	1,493,907	-	1,493,907
Management and general	130,995	-	130,995	139,750	-	139,750
Fundraising	42,655	-	42,655	36,927	-	36,927
<i>Total expenses</i>	<u>1,755,820</u>	<u>-</u>	<u>1,755,820</u>	<u>1,670,584</u>	<u>-</u>	<u>1,670,584</u>
CHANGE IN NET ASSETS	83,831	(6,042)	77,789	87,143	(18,249)	68,894
NET ASSETS, BEGINNING OF YEAR	<u>3,175,279</u>	<u>25,328</u>	<u>3,200,607</u>	<u>3,088,136</u>	<u>43,577</u>	<u>3,131,713</u>
NET ASSETS, END OF YEAR	<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>

See independent auditors' report and accompanying notes to the financial statements

ALTERNATIVES INCORPORATED OF MADISON COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2023

Program Services

	Crisis		Off-Site	Sexual	Children's	Family			Management		
	<u>Residential</u>	<u>On-Site TH</u>	<u>SSTH/RRH</u>	<u>Assault</u>	<u>Advocacy</u>	<u>Violence</u>	<u>Prevention</u>	<u>Total</u>	<u>and General</u>	<u>Fundraising</u>	<u>Total</u>
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
Employee benefits	50,555	11,181	11,974	27	12,430	24,267	6,918	117,352	14,879	4,034	136,265
Supplies	97,387	4,993	15,584	148	2,099	891	311	121,413	846	10,000	132,259
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
Insurance	14,659	4,204	956	1,480	2,439	856	295	24,889	3,222	323	28,434
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
Training and registration	1,203	25	384	-	2,189	779	365	4,945	1,017	-	5,962
Maintenance and repairs	2,286	1,039	144	19	176	277	84	4,025	186	50	4,261
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
Printing	216	-	188	-	-	518	24	946	231	215	1,392
Miscellaneous	75	19	-	-	-	3,000	-	3,094	3,630	555	7,279
<i>Total functional expenses</i>	<u>\$ 646,692</u>	<u>\$ 118,353</u>	<u>\$ 437,653</u>	<u>\$ 10,880</u>	<u>\$ 114,627</u>	<u>\$ 198,170</u>	<u>\$ 55,795</u>	<u>\$ 1,582,170</u>	<u>\$ 130,995</u>	<u>\$ 42,655</u>	<u>\$ 1,755,820</u>

See independent auditors' report and accompanying notes to the financial statements

ALTERNATIVES INCORPORATED OF MADISON COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2022

Program Services

	Program Services							Management and General		Total	
	Crisis Residential	On-Site TH	Off-Site SSTH/RRH	Sexual Assault	Children's Advocacy	Family Violence Outreach	Prevention	Total	and General	Fundraising	Total
Salaries	\$ 292,100	\$ 61,895	\$ 58,749	\$ 111	\$ 71,995	\$ 136,965	\$ 36,252	\$ 658,067	\$ 85,636	\$ 18,066	\$ 761,769
Direct client assistance	39,427	2,831	241,546	806	1,215	8,647	-	294,472	-	-	294,472
Employee benefits	60,706	11,969	10,958	214	14,054	26,319	6,840	131,060	16,240	3,859	151,159
Supplies	89,465	11,351	21,757	351	2,606	1,161	395	127,086	1,227	6,853	135,166
Occupancy	53,863	15,100	1,506	4,950	7,856	8,161	811	92,247	7,470	997	100,714
Depreciation	53,595	15,410	1,182	5,568	8,831	2,658	909	88,153	11,771	1,122	101,046
Professional fees	19,443	5,312	3,311	700	3,447	5,097	1,160	38,470	4,042	3,822	46,334
Insurance	10,999	3,162	303	1,143	1,812	545	187	18,151	2,416	230	20,797
Telephone	10,629	1,132	968	5	1,244	2,492	587	17,057	1,521	344	18,922
Travel	3,839	677	3,424	32	2,639	1,214	1,307	13,132	1,058	82	14,272
Training and registration	209	-	47	50	1,664	246	-	2,216	279	26	2,521
Maintenance and repairs	3,693	1,350	175	105	369	728	113	6,533	465	81	7,079
Postage and delivery	627	73	66	1	76	151	37	1,031	123	901	2,055
Dues and fees	919	-	-	-	-	332	-	1,251	-	129	1,380
Printing	291	-	-	-	-	2,629	61	2,981	20	-	3,001
Miscellaneous	-	-	-	-	-	2,000	-	2,000	7,482	415	9,897
<i>Total functional expenses</i>	<u>\$ 639,805</u>	<u>\$ 130,262</u>	<u>\$ 343,992</u>	<u>\$ 14,036</u>	<u>\$ 117,808</u>	<u>\$ 199,345</u>	<u>\$ 48,659</u>	<u>\$ 1,493,907</u>	<u>\$ 139,750</u>	<u>\$ 36,927</u>	<u>\$ 1,670,584</u>

See independent auditors' report and accompanying notes to the financial statements

ALTERNATIVES INCORPORATED OF MADISON COUNTY

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 77,789	\$ 68,894
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	96,815	101,046
Unrealized (gain) loss on investments	(46,467)	44,408
Changes in certain assets and liabilities:		
Accounts receivable	(39,414)	75,236
Prepaid expense	7,463	(7,846)
Accounts payable	(8,117)	47
Accrued expenses	6,962	(2,135)
Deferred revenue	(12,325)	9,337
	<hr/>	<hr/>
<i>Net cash provided by operating activities</i>	82,706	288,987
	<hr/>	<hr/>
INVESTING ACTIVITIES		
Purchases of property and equipment	(8,315)	(54,944)
Proceeds from sale of (purchases of) investments, net	(197,420)	25,840
	<hr/>	<hr/>
<i>Net cash used in investing activities</i>	(205,735)	(29,104)
	<hr/>	<hr/>
NET CHANGE IN CASH	(123,029)	259,883
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	749,560	489,677
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 626,531	\$ 749,560
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See independent auditors' report and accompanying notes to the financial statements

ALTERNATIVES INCORPORATED OF MADISON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General – 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.

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.

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 that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents – Alternatives considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Cash equivalents totaled \$107,736 on June 30, 2023. There were no cash equivalents on June 30, 2022.

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.

Accounts Receivable – Accounts 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 doubtful accounts has been provided.

Property and Equipment – Purchases of assets and expenditures that 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

ALTERNATIVES INCORPORATED OF MADISON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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, 2023 and 2022, 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 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, 2019 are open to audit for both federal and state purposes.

Subsequent Events – Alternatives evaluated subsequent events through December 8, 2023, 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.

NOTE 2 - REVENUE RECOGNITION

Revenue Recognition Policy – 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.

A portion of Alternatives' revenue is the product of cost reimbursement grants. 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.

Performance Obligations – Contributions with and without donor restrictions are not considered exchange transactions and therefore are excluded from the requirements of ASU 2014-09. 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.

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

ALTERNATIVES INCORPORATED OF MADISON COUNTY

NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended June 30, 2023 and 2022

NOTE 3 - 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>2023</u>	<u>2022</u>	<u>Program Benefitted</u>	<u>Donor Restriction</u>
Food	\$ 10,440	\$ 11,875	Crisis Residential	None
Clothing	52,328	13,290	Crisis Residential	None
Household goods	17,822	26,702	Crisis Residential	None
Fundraiser items	9,775	6,543	Fundraising	Fundraising
Occupancy service	5,790	5,790	Family Violence Outreach	None
Direct assistance	<u>31,247</u>	<u>17,513</u>	Crisis Residential	None
<i>Total</i>	<u>\$ 127,402</u>	<u>\$ 81,713</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.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment was comprised of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Building	\$ 3,212,589	\$ 3,212,589
Equipment	128,847	120,532
Vehicles	<u>59,555</u>	<u>59,555</u>
	3,400,991	3,392,676
Less: accumulated depreciation	<u>(1,523,928)</u>	<u>(1,427,113)</u>
<i>Property and equipment, net</i>	<u>\$ 1,877,063</u>	<u>\$ 1,965,563</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.

ALTERNATIVES INCORPORATED OF MADISON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 5 - FAIR VALUE MEASUREMENTS

Alternatives reports certain assets at fair value using a three-level hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

Level 1. Quoted prices for identical assets or liabilities in active markets to which Alternatives has access at the measurement date.

Level 2. Inputs other than quoted prices included in Level 1 observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets in inactive markets;
- observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
- inputs derived principally from, or corroborated by, observable market data by correlation or by 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. Unobservable inputs for the asset or liability. Unobservable inputs are used to measure the fair value to the extent observable inputs are not available.

When available, Alternatives measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

The primary uses of fair value measures in Alternatives' financial statements are for the recurring measurement of short-term and long-term investments and the valuation of contributions received. Short-term investments represent resources in excess of normal operating needs invested to generate a higher return. Long-term investments represent a beneficial interest in assets held by Madison County Community Foundation, Inc. ("MCCF"). The assets are held in MCCF's general investment fund.

The fair values of the corporate bonds are valued using Level 2 inputs and mutual funds are based on Level 1 inputs. The fair value of the certificates of deposit is estimated to approximate the carrying value due to the short duration of the investment. The fair value of the assets held by MCCF is based on Alternatives' pro rata share of the underlying assets. Because the assets are under the control of MCCF which exercises variance authority, and because the assets cannot be redeemed, there are no observable market transactions for similar assets. As such, the inputs used by Alternatives to value this investment are at net asset value.

ALTERNATIVES INCORPORATED OF MADISON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 5 - FAIR VALUE MEASUREMENTS, Continued

	<u>Fair Value</u>	Fair Value Measurements Using			Assets Measured at NAV ^(A)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
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>\$ 507,414</u>	<u>\$ 218,511</u>	<u>\$ -</u>	<u>\$ 11,217</u>
June 30, 2022					
Corporate bonds	\$ 219,914	\$ -	\$ 219,914	\$ -	\$ -
Mutual funds	256,394	256,394	-	-	-
MCCF endowment	16,947	-	-	-	16,947
	<u>\$ 493,255</u>	<u>\$ 256,394</u>	<u>\$ 219,914</u>	<u>\$ -</u>	<u>\$ 16,947</u>

^(A) As noted above, Alternative's assets held by MCCF 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.

ALTERNATIVES INCORPORATED OF MADISON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions represent resources received from contributors that 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>2023</u>	<u>2022</u>
Truck	\$ 2,813	\$ 3,125
School uniforms	2,348	2,348
Drug use education	1,003	1,003
Other	1,905	1,905
Held by MCCF	<u>11,217</u>	<u>16,947</u>
	<u>\$ 19,286</u>	<u>\$ 25,328</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>2023</u>	<u>2022</u>
Truck	\$ 312	\$ 27,376
Building maintenance	-	11,711
Other	-	3,773
Grants from net assets held at MCCF	<u>-</u>	<u>692</u>
	<u>\$ 312</u>	<u>\$ 43,552</u>

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.

ALTERNATIVES INCORPORATED OF MADISON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 7 - GRANT FUNDING

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

	<u>2023</u>	<u>2022</u>
Federal cost reimbursement grants:		
Crime Victim Assistance	\$ 235,939	\$ 291,842
Continuance of Care	314,496	299,331
Family Violence and Prevention Services	134,306	100,779
Emergency Solutions Grant	42,000	42,250
Education for Homeless Children	43,038	43,106
Other	<u>39,083</u>	<u>14,850</u>
<i>Total federal cost reimbursement grants</i>	<u>808,862</u>	<u>792,158</u>
Federal fee for service agreements:		
Social Services Block Grant	27,300	25,000
Child and Adult Care Food Program	<u>-</u>	<u>9,076</u>
<i>Total federal fee for service agreements</i>	<u>27,300</u>	<u>34,076</u>
<i>Total federal funding</i>	<u>\$ 836,162</u>	<u>\$ 826,234</u>
State and local funding:		
Domestic Violence Prevention and Treatment	\$ 202,850	\$ 182,431
Other	<u>7,942</u>	<u>8,337</u>
<i>Total state and local funding</i>	<u>\$ 210,792</u>	<u>\$ 190,768</u>
Foundation and other grants:		
Tipton County Foundation	\$ 27,516	\$ 22,521
Allstate Foundation	13,570	-
Hancock Community Foundation	5,000	-
Hamilton County Community Foundation	-	10,000
Women's Fund of Central Indiana	10,000	12,000
Centerpoint Foundation	-	10,000
Christ Church Cathedral	3,000	8,800
Other	<u>65,447</u>	<u>30,403</u>
<i>Total foundation and other grants</i>	<u>\$ 124,533</u>	<u>\$ 93,724</u>

ALTERNATIVES INCORPORATED OF MADISON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

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 contributions based on the amount of compensation of each participant. The contribution rate was 6% in each of the years ended June 30, 2023 and 2022. Expense recognized under the plan was \$22,843 and \$23,277 during the years ended June 30, 2023 and 2022, 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. Alternatives’ cash account with First Merchants Bank exceeded FDIC limits as of and throughout the years ended June 30, 2023 and 2022.

NOTE 10 - LIQUIDITY

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

	<u>2023</u>	<u>2022</u>
Financial assets	\$ 1,512,756	\$ 1,353,634
Less: those unavailable due to restrictions by donor with time or purpose	<u>(19,286)</u>	<u>(25,328)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,493,470</u>	<u>\$ 1,328,306</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.

ALTERNATIVES INCORPORATED OF MADISON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 11 - 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 they belong to or 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, 2023

<u>Federal Grantor Agency/Pass-Through Entity/ Cluster Title/Program Title/Project Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Awards Expended</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute:			
Crime Victim Assistance			
Services to Victims of Domestic Violence	16.575	VOCA-2020-00015	\$ 62,903
	16.575	VOCA-2022-00044	163,058
	16.575	VOCA-SUPP-2022-00073	<u>9,978</u>
<i>Total U.S. Department of Justice</i>			<u>235,939</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Housing and Community Development Authority:			
Emergency Solutions Program Fund	14.231	ES-022-005	42,000
Continuum of Care Program	14.267	DVTHRR-021-0217-01	122,976
	14.267	DVTHRR-022-0217-01	191,520
Pass-Through City of Anderson:			
Community Development Block Grants/Entitlement Grants	14.218	C-21-PS-01	<u>20,455</u>
<i>Total U.S. Department of Housing and Urban Development</i>			<u>376,951</u>
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)</u>			
Pass-Through United Way:			
Emergency Food and Shelter National Board Program	97.024	272400-002	<u>18,628</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Pass-Through Indiana Department of Education:			
Education for Homeless Children and Youth	84.196A	22306	<u>43,038</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Criminal Justice Institute:			
Family Violence Prevention and Services/Domestic			
Violence Shelter and Supportive Services	93.671	FVPSA-2022-00003	67,068
	93.671	FVPSA-2021-00003	18,929
	93.671	70850	12,836
	93.671	FVPSA-ARP-2021-00013	20,755
	93.671	FVPSA-ARP-2022-00025	14,718
Social Services Block Grant	93.667	64640	<u>27,300</u>
<i>Total U.S. Department of Health and Human Services</i>			<u>161,606</u>
<i>Total federal awards expended</i>			<u>\$ 836,162</u>

See independent auditors' report and accompanying notes to this schedule

ALTERNATIVES INCORPORATED OF MADISON COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "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, 2023. 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, changes 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*.



Donovan CPAs

INDEPENDENT AUDITORS' 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

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, 2023, 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 have issued our report thereon dated December 8, 2023.

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 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 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 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.

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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.

DONOVAN

A handwritten signature in dark ink that reads "DONOVAN". The signature is written in a cursive style with a large, prominent initial "D".

Indianapolis, Indiana
December 8, 2023



Donovan CPAs

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

The Board of Trustees
Alternatives Incorporated of Madison County

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* that could have a direct and material effect on each of Alternatives’ major federal programs for the year ended June 30, 2023. Alternatives’ major federal programs are identified in the summary of auditors’ 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 that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

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 Auditors’ 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 that the audit evidence we have 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.

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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 that, 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 that are 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 that 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 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that 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 that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that 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.

DONOVAN

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Indianapolis, Indiana
December 8, 2023

**ALTERNATIVES INCORPORATED OF MADISON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023**

I. Summary of Auditors' Results

Financial Statements

Type of auditors' 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 auditors' 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
14.231	Emergency Solutions Program Fund

Dollar threshold use to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

II. Financial Statement Findings

No matters are reportable.

III. Federal Award Findings and Questioned Costs

No matters are reportable.



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To the Board of Trustees
Alternatives Incorporated of Madison County

We audited the financial statements of Alternatives Incorporated of Madison County (“Alternatives”) as of and for the years ended June 30, 2023 and 2022 and issued our report thereon dated December 8, 2023. Professional standards require us to provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audits. Professional standards require us to communicate to you the following information related to our audits.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Alternatives are described in Notes 1 and 2 to the financial statements. Effective July 1, 2022, Alternatives adopted Accounting Standards Update (“ASU”) No. 2016-02, *Leases (Topic 842)*. ASU 2016-02 replaced previous lease guidance under accounting principles generally accepted in the United States of America and aims to increase transparency and comparability among organizations by disclosing both qualitative and quantitative information regarding the amount, timing, and uncertainty of cash flows arising from leases. There were no leases during the years ended June 30, 2023 and 2022, therefore, the new standard had no effect on Alternatives’ financial statements.

We noted no transactions entered into by Alternatives during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility future events affecting them may differ significantly from those expected. We identified no particularly sensitive accounting estimates during the audits.

Significant Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We identified no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audits

We encountered no significant difficulties in dealing with management in performing and completing our audits.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audits, other than those which are clearly trivial, and communicate them to the appropriate level of management. Management corrected all such misstatements. A listing of the corrected misstatements identified as a result of our audits is included on page 4.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, which could be significant to the financial statements or the auditors' report. We are pleased to report no such disagreements arose during the course of our audits.

Management Representations

We requested certain representations from management which were provided in the management representation letter dated December 8, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Alternatives' financial statements or a determination of the type of auditors' opinion which may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Alternatives' auditors. These discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audits of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of Board of Trustees and management of Alternatives and is not intended to be, and should not be, used by anyone other than these specified parties.

DONOVAN

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Indianapolis, Indiana
December 8, 2023

**Alternatives Incorporated of Madison County
Corrected Material Adjustments
Audit of the Year Ended June 30, 2023**

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 101			
PAJE<101> To record capitalization of fixed assets provided by client.			
1602-1	Equipment:Equipment Cost	8,315.00	
9905	Fixed asset purchases:Capital purchases - equipment		8,315.00
Total		<u>8,315.00</u>	<u>8,315.00</u>
Adjusting Journal Entries JE # 102			
PAJE<102> To record depreciation expense.			
9909	Fixed asset purchases:Depreciation & amortization exp	96,815.00	
1602	Equipment:Equipment Depreciation		5,211.00
1604	Building and Land:Building and Land Depreciation		83,097.00
1610	Vehicles:Vehicles Depreciation		8,507.00
Total		<u>96,815.00</u>	<u>96,815.00</u>
Adjusting Journal Entries JE # 103			
PAJE <103> To reflect the removal of "Outside" portion of Madison County Endowment funds.			
6502	Unrealized Gain/Loss	5,730.00	
1007	Madison County Endowment		5,730.00
Total		<u>5,730.00</u>	<u>5,730.00</u>
Adjusting Journal Entries JE # 104			
PAJE <104> To adjust restricted balances in line with reconciliation.			
3005	Permanently Restricted	5,730.00	
3006	Temporarily Restricted	311.00	
3900	Retained Earnings		6,041.00
Total		<u>6,041.00</u>	<u>6,041.00</u>