Alternatives Incorporated of Madison County

Financial Statements
Together with Independent Auditor's Report

For the Years Ended June 30, 2026 and 2025

Donovan CPAs

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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 (the Organization), which comprise the statements of financial position as of June 30, 2026 and 2025, 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 the Organization as of June 30, 2026 and 2025 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). 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 Organization 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 the Organization's 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 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 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 the Organization'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, which raise substantial doubt about the Organization'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 we identified during the audit.

Donovan

Donovan CPAs
Indianapolis, Indiana
August 25, 2026

Alternatives Incorporated of Madison County
Statements of Financial Position
June 30, 2026 and 2025

	2026	2025
ASSETS		
Current Assets		
Cash and cash equivalents	$ 733,269	$ 723,470
Short-term investments	1,003,697	900,905
Grants receivable	150,341	181,241
Prepaid expenses	52,597	26,471
Total current assets	1,939,904	1,832,087
Fixed Assets, Net		
Building	3,308,338	3,308,338
Equipment	128,847	128,847
Vehicles	59,555	59,555
Accumulated depreciation	(1,808,655)	(1,712,628)
Fixed assets, net	1,688,085	1,784,112
Other Assets		
Long-term investments	14,414	12,800
Total Assets	$ 3,642,403	$ 3,628,999
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	14,912	$ 10,990
Accrued expenses	147,195	127,712
Deferred revenue	25,914	32,351
Total current liabilities	188,021	171,053
Net Assets		
Without donor restrictions	3,435,720	3,438,585
With donor restrictions	18,662	19,361
Total net assets	3,454,382	3,457,946
Total Liabilities and Net Assets	$ 3,642,403	$ 3,628,999

Alternatives Incorporated of Madison County
Statements of Activities and Change in Net Assets
For the Years Ended June 30, 2026 and 2025

	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support						
Federal funding	$ 821,804	$ -	$ 821,804	$ 845,565	$ -	$ 845,565
State and local funding	325,339	-	325,339	319,746	-	319,746
Foundations and other grants	123,190	-	123,190	80,335	-	80,335
Contributions:						
United Way of Central Indiana	99,563	-	99,563	70,037	-	70,037
United Way of Madison County	13,244	-	13,244	13,929	-	13,929
Other cash contributions	213,454	-	213,454	197,936	225	198,161
In-kind contributions	116,413	-	116,413	99,585	-	99,585
Service revenue	64,955	-	64,955	63,099	-	63,099
Fundraising event revenue	105,458	-	105,458	114,383	-	114,383
Net assets released from restrictions	2,313	(2,313)	-	1,733	(1,733)	-
Total revenue and support	1,885,733	(2,313)	1,883,420	1,806,348	(1,508)	1,804,840
Expenses						
Program services	1,801,892	-	1,801,892	1,706,341	-	1,706,341
Management and general	141,678	-	141,678	130,185	-	130,185
Fundraising	49,902	-	49,902	61,712	-	61,712
Total expenses	1,993,472	-	1,993,472	1,898,238	-	1,898,238
Change in Net Assets from Operations	(107,739)	(2,313)	(110,052)	(91,890)	(1,508)	(93,398)
Non-Operating Income						
Employee retention credit	-	-	-	128,029	-	128,029
Investment income, net	104,874	1,614	106,488	96,872	1,161	98,033
Total non-operating income	104,874	1,614	106,488	224,901	1,161	226,062
Change in Net Assets	(2,865)	(699)	(3,564)	133,011	(347)	132,664
Net Assets, Beginning of Year	3,438,585	19,361	3,457,946	3,305,574	19,708	3,325,282
Net Assets, End of Year	$ 3,435,720	$ 18,662	$ 3,454,382	$ 3,438,585	$ 19,361	$ 3,457,946

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, 2026

	Program Services										
	Crisis Residential	On-Site TH	Off-Site SSTH/RRH	Sexual Assault	Children's Advocacy	Family Violence Outreach	Prevention	Program Services Total	**Management and General**	**Fundraising**	**Total**
Salaries	$ 384,782	$ 68,399	$ 117,996	$ 657	$ 48,116	$ 143,383	$ 36,307	$ 799,640	$ 82,662	$ 21,700	$ 904,002
Direct client assistance	30,995	9,996	330,622	-	3,892	19,819	23	395,347	-	-	395,347
Occupancy	48,608	13,332	12,644	4,435	7,016	7,901	7,313	101,249	9,352	891	111,492
Program supplies	86,011	2,679	1,141	103	366	274	2,533	93,107	370	10,740	104,217
Depreciation	50,346	14,161	1,810	4,951	8,121	3,385	1,018	83,792	10,949	1,285	96,026
Employee benefits	37,487	6,836	10,295	-	5,422	15,246	3,569	78,855	8,220	2,673	89,748
Payroll taxes	31,206	5,561	8,361	-	4,167	11,995	2,655	63,945	6,546	2,063	72,554
Office	16,878	2,462	18,357	109	902	6,829	576	46,113	8,212	1,836	56,161
Professional fees	21,641	3,775	5,998	17	2,766	9,055	1,645	44,897	4,381	5,208	54,486
Retirement	13,810	2,513	3,705	-	1,934	5,510	1,289	28,761	3,002	1,027	32,790
Insurance	13,340	3,835	1,030	1,386	2,198	661	226	22,676	2,930	280	25,886
Accounting and Legal	10,626	1,810	3,197	-	1,035	3,872	1,014	21,554	2,409	537	24,500
Travel	3,679	109	3,757	-	3,535	1,057	2,121	14,258	1,037	181	15,476
Training and registration	62	-	190	-	3,277	179	-	3,708	1,608	124	5,440
Miscellaneous	500	-	-	-	-	3,490	-	3,990	-	1,357	5,347
	$ 749,971	$ 135,468	$ 519,103	$ 11,658	$ 92,747	$ 232,656	$ 60,289	$1,801,892	$ 141,678	$ 49,902	$1,993,472

Alternatives Incorporated of Madison County
Statement of Functional Expenses
For the Year Ended June 30, 2025

	Program Services										
	Crisis Residential	On-Site TH	Off-Site SSTH/RRH	Sexual Assault	Children's Advocacy	Family Violence Outreach	Prevention	Program Services Total	**Management and General**	**Fundraising**	**Total**
Salaries	$ 330,451	$ 64,276	$ 82,147	$ -	$ 48,292	$ 175,576	$ 46,533	$ 747,275	$ 79,012	$ 31,475	$ 857,762
Direct client assistance	42,689	6,279	297,642	-	860	23,867	-	371,337	-	-	371,337
Occupancy	77,904	29,318	23,419	4,537	7,914	7,967	5,011	156,070	9,575	912	166,557
Program supplies	73,595	3,493	1,836	161	467	741	8,803	89,096	829	10,581	100,506
Depreciation	50,164	14,423	1,106	5,211	8,266	2,487	851	82,508	11,018	1,051	94,577
Employee benefits	28,061	4,978	7,921	12	5,150	13,573	3,870	63,565	6,839	3,025	73,429
Payroll taxes	26,360	4,847	7,279	11	4,476	13,078	3,678	59,729	6,490	2,789	69,008
Office	14,561	1,839	6,142	10	1,930	7,045	6,169	37,696	5,562	2,792	46,050
Professional fees	4,973	968	1,496	2	807	2,216	534	10,996	1,004	5,735	17,735
Retirement	11,317	2,061	3,182	5	1,855	5,530	1,572	25,522	2,794	1,187	29,503
Insurance	12,207	3,509	942	1,268	2,011	605	207	20,749	2,681	255	23,685
Accounting and Legal	9,109	1,677	2,456	5	1,425	4,665	1,187	20,524	2,098	527	23,149
Travel	3,210	194	3,656	-	2,008	3,040	2,748	14,856	1,112	432	16,400
Training and registration	298	16	337	-	4,018	245	125	5,039	1,052	-	6,091
Miscellaneous	919	-	-	-	-	460	-	1,379	119	951	2,449
	$ 685,818	$ 137,878	$ 439,561	$ 11,222	$ 89,479	$ 261,095	$ 81,288	$1,706,341	$ 130,185	$ 61,712	$1,898,238

Alternatives Incorporated of Madison County

Statements of Cash Flows

For the Years Ended June 30, 2026 and 2025

		2026		2025
Operating Activities				
Change in net assets	$	(3,564)	$	132,664
Adjustments to reconcile change in net assets				
to net change in cash from operating activities:				
Depreciation		96,026		94,577
Unrealized gain on investments		(104,616)		(92,992)
Changes in certain assets and liabilities:				
Grants receivable		30,900		(48,916)
Prepaid expenses		(26,126)		1,011
Accounts payable		3,922		(23,117)
Accrued expenses		19,483		17,286
Refundable advances		-		(50,730)
Deferred revenue		(6,437)		16,735
Net change in cash from operating activities		9,588		46,518
Investing Activities				
Purchases of fixed assets		-		(95,749)
Proceeds from sale of investments, net		211		901
Net change in cash from investing activities		211		(94,848)
Net Change in Cash		9,799		(48,330)
Cash and Cash Equivalents, Beginning of Year		723,470		771,800
Cash and Cash Equivalents, End of Year	$	733,269	$	723,470

Note 1 – Nature of Activities

Alternatives Incorporated of Madison County (the Organization) is a not-for-profit organization incorporated under the laws of the State of Indiana. The Organization's purpose is to eradicate domestic and sexual violence through education, prevention, and intervention. The Organization serves residents of Madison, Hamilton, Hancock, Henry, Tipton, and Marion counties in Indiana. The Organization's foundation programs are an emergency shelter, transitional housing, and rapid rehousing for victims of domestic violence. Prevention and education services include collaborative projects with law enforcement organizations, healthcare providers, employers, governmental agencies, and schools. Non-residential services are provided to survivors not in one of the housing programs and concentrate on rural communities and underserved populations. Children's services are provided to children residing in the emergency shelter.

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
The Organization 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 the Organization; and
- Net assets with donor restrictions, which represent resources restricted by donors for specific time or purpose.

Cash and Cash Equivalents
The Organization 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 $122,392 and $122,183 as of June 30, 2026 and 2025, 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
Grants receivable are primarily related to grants due from state and federal governmental agencies. The Organization believes all claims are within the terms of the grant agreements. As such, no allowance for credit losses has been provided.

Note 2 – Summary of Significant Accounting Policies (Continued)

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 and improvements	15 to 40 years
Equipment	5 to 10 years
Vehicles	7 years

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

Revenue Recognition Policy
A majority of the Organization's revenue is the product of cost reimbursement grants from federal, state, local, and foundation sources. Accordingly, the Organization 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. The Organization 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 and in Note 9.

Note 2 – Summary of Significant Accounting Policies (Continued)

Functional Expense Reporting
The costs of providing activities pertaining to the Organization's 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.

Taxes on Income
The Organization 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, the Organization is subject to tax on income unrelated to its exempt purpose. For the years ended June 30, 2026 and 2025, no accounting for federal or state income taxes was required to be included in the accompanying financial statements.

Professional accounting standards require the Organization 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. The Organization examined this issue and determined there are no material contingent tax liabilities or questionable tax positions. The tax years ended after June 30, 2022 are open to audit for both federal and state purposes.

Subsequent Events
The Organization evaluated subsequent events through August 25, 2026, 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 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:

Non-Financial Asset	2026	2025	Program Benefitted	Restriction
Food	$ 19,145	$ 16,845	Crisis Residential	None
Clothing	31,025	17,324	Crisis Residential	None
Household goods	22,778	19,443	Crisis Residential	None
Fundraiser items	10,694	10,431	Fundraising	Fundraising
Occupancy service	5,790	6,615	Family Violence Outreach	None
Direct assistance	26,981	28,927	Crisis Residential	None
	$ 116,413	$ 99,585		

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, the Organization makes a reasonable effort to quantify the value of the contribution.

Note 4 – Fair Value Measurements

The framework for measuring fair value provides a 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 the Organization 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 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.

Note 4 – Fair Value Measurements (Continued)

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.

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, 2026 and 2025.

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: The Organization's assets held by Madison County Community Foundation (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.

The tables below set forth by level within the fair value hierarchy the Organization's assets at fair value as of June 30:

	Fair Value	Level 1	Level 2	Level 3	NAV [A]
2026					
Corporate bonds	$ 233,740	$ 233,740	$ -	$ -	$ -
Mutual funds	769,957	769,957	-	-	-
MCCF endowment	14,414	-	-	-	14,414
	$ 1,018,111	$ 1,003,697	$ -	$ -	$ 14,414
2025					
Corporate bonds	$ 233,184	$ 233,184	$ -	$ -	$ -
Mutual funds	667,721	667,721	-	-	-
MCCF endowment	12,800	-	-	-	12,800
	$ 913,705	$ 900,905	$ -	$ -	$ 12,800

(A) As noted above, the Organization's 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.

Note 5 – Net Assets with Donor Restrictions

Net assets with donor restrictions represent resources received from donors 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:

	2026	2025
Truck	$ 2,239	$ 2,370
School uniforms	623	2,349
Other	1,386	1,842
Held by MCCF	14,414	12,800
	$ 18,662	$ 19,361

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:

	2026	2025
Truck	$ 131	$ 443
Drug use education	-	1,003
School uniforms	1,726	-
Other	456	287
	$ 2,313	$ 1,733

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

Note 6 – Retirement Plan

The Organization 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, the Organization 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, 2026 and 2025. Expense recognized under the plan was $32,789 and $29,505 during the years ended June 30, 2026 and 2025, respectively.

Note 7 – 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 the Organization.

The Organization 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. The Organization's cash account with First Merchants Bank exceeded FDIC limits as of June 30, 2026 by approximately $184,490.

Note 8 – Liquidity

Financial assets for the Organization 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:

	2026	2025
Financial assets	$ 1,901,721	$ 1,818,416
Less: those unavailable due to restrictions by donor with time or purpose	(18,662)	(19,361)
	$ 1,883,059	$ 1,799,055

From time to time, the Organization receives donor restricted contributions. Because donor restrictions require resources to be used in a particular manner or in a future period, the Organization 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 9 – Grant Funding

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

	2026	2025
Federal cost reimbursement grants:		
Crime Victim Assistance	$ 231,836	$ 205,286
Continuum of Care	326,916	314,920
Family Violence and Prevention Services	124,564	139,841
Education for Homeless Children	37,180	41,685
Emergency Solutions Grant	45,000	35,000
Other	25,609	78,133
	791,104	814,865
Federal fee for service agreements:		
Social Services Block Grant	30,700	30,700
Federal funding total	$ 821,804	$ 845,565
State and local funding:		
Domestic Violence Prevention and Treatment	$ 319,839	$ 314,246
Other	5,500	5,500
State and local funding total	$ 325,339	$ 319,746
Foundations and other grants:		
Tipton County Foundation	$ 51,985	$ 31,085
Sonnentag Foundation	-	7,000
Community Foundation of Hancock County	5,825	3,400
Centerpoint Foundation	5,000	3,500
Women's Fund of Indiana	30,000	10,000
Christ Church Cathedral	-	3,000
Other	30,380	22,350
Foundations and other grants total	$ 123,190	$ 80,335

Alternatives Incorporated of Madison County
Schedule of Lead Auditor
For the Years Ended June 30, 2026 and 2025

Auditor Information:	Donovan CPAs 9292 N Meridian Street, Suite 150 Indianapolis, IN 46260
Phone Number:	(317) 844-8300
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August 25, 2026

To the Board of Trustees
Alternatives Incorporated of Madison County
Anderson, Indiana

We have audited the financial statements of Alternatives Incorporated of Madison County (Alternatives) for the year ended June 30, 2026, and have issued our report thereon dated August 25, 2026 Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 26, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

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 Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during year ended June 30, 2026. 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 were recognized in the financial statements in the proper period.

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 that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements was (were):

- Management's estimate of accumulated depreciation is based on the useful lives of the assets, and the depreciation methods applied. We evaluated the methods, assumptions, and data used to calculate accumulated depreciation and determined that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements was (were):

- The disclosure of Investments and Fair Value in Note 4 to the financial statements describes your valuation of investments that are recognized at fair value in the financial statements.
- The disclosure of Liquidity in Note 8 to the financial statements describes your liquidity and the funds available for general use within one year.

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

Difficulties Encountered in Performing the Audit
We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

We made 1 adjustments during the audit process that changed total assets by $0, total liabilities by $0, total net assets by $3,680, and changes in net assets of $3,680.

Disagreements with Management
For purposes of this letter, a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated August 25, 2026.

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 auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that 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. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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

Donovan

Donovan CPAs
Indianapolis, Indiana

Alternatives Incorporated of Madison County
Proposed and Recorded Adjustments
Audit of the Year Ended June 30, 2026

Adjusting Journal Entries JE # 101			
PAJE <101> To correct net asset rollforward.			
8925	Direct Assistance Expense:Miscellaneous Assistance	3,680.00	
3900	Retained Earnings		3,680.00
Total		**3,680.00**	**3,680.00**