Alternatives Incorporated of Madison County

Financial Statements
Together with Independent Auditor's Report

For the Years Ended June 30, 2025 and 2024

Donovan CPAs

Table of Contents

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 (the Organization), which comprise the statements of financial position as of June 30, 2025 and 2024, 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, 2025 and 2024 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 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 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 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 audits, 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 September 29, 2025 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Donovan

Donovan CPAs
Indianapolis, Indiana
September 29, 2025

Alternatives Incorporated of Madison County
Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	$ 723,470	$ 771,800
Short-term investments	900,905	809,975
Grants receivable	181,241	132,325
Prepaid expenses	26,471	27,482
Total current assets	1,832,087	1,741,582
Fixed Assets, Net	1,784,112	1,782,940
Other Assets		
Long-term investments	12,800	11,639
Total Assets	$ 3,628,999	$ 3,536,161
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 10,990	$ 34,107
Accrued expenses	127,712	110,426
Refundable advances	-	50,730
Deferred revenue	32,351	15,616
Total current liabilities	171,053	210,879
Net Assets		
Without donor restrictions	3,438,585	3,305,574
With donor restrictions	19,361	19,708
Total net assets	3,457,946	3,325,282
Total Liabilities and Net Assets	$ 3,628,999	$ 3,536,161

Alternatives Incorporated of Madison County
Statements of Activities and Change in Net Assets
For the Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support						
Federal funding	$ 845,565	$ -	$ 845,565	$ 839,261	$ -	$ 839,261
State and local funding	319,746	-	319,746	235,279	-	235,279
Foundations and other grants	80,335	-	80,335	100,638	-	100,638
Contributions:						
United Way of Central Indiana	70,037	-	70,037	86,168	-	86,168
United Way of Madison County	13,929	-	13,929	30,857	-	30,857
Other cash contributions	197,936	225	198,161	185,791	-	185,791
In-kind contributions	99,585	-	99,585	196,760	-	196,760
Service revenue	63,099	-	63,099	54,504	-	54,504
Fundraising event revenue	114,383	-	114,383	101,454	-	101,454
Net assets released from restrictions	1,733	(1,733)	-	-	-	-
Total revenue and support	1,806,348	(1,508)	1,804,840	1,830,712	-	1,830,712
Expenses						
Program services	1,706,341	-	1,706,341	1,679,450	-	1,679,450
Management and general	130,185	-	130,185	142,712	-	142,712
Fundraising	61,712	-	61,712	62,223	-	62,223
Total expenses	1,898,238	-	1,898,238	1,884,385	-	1,884,385
Change in Net Assets from Operations	(91,890)	(1,508)	(93,398)	(53,673)	-	(53,673)
Non-Operating Income						
Employee retention credit	128,029	-	128,029	-	-	-
Investment income, net	96,872	1,161	98,033	100,137	422	100,559
Total non-operating income	224,901	1,161	226,062	100,137	422	100,559
Change in Net Assets	133,011	(347)	132,664	46,464	422	46,886
Net Assets, Beginning of Year	3,305,574	19,708	3,325,282	3,259,110	19,286	3,278,396
Net Assets, End of Year	$ 3,438,585	$ 19,361	$ 3,457,946	$ 3,305,574	$ 19,708	$ 3,325,282

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, 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
Employee benefits	65,738	11,886	18,382	28	11,481	32,181	9,120	148,816	16,123	7,001	171,940
Occupancy	77,904	29,318	23,419	4,537	7,914	7,967	5,011	156,070	9,575	912	166,557
Supplies	74,596	3,679	4,561	161	609	1,366	14,286	99,258	1,080	10,702	111,040
Depreciation	50,164	14,423	1,106	5,211	8,266	2,487	851	82,508	11,018	1,051	94,577
Professional fees	14,082	2,645	3,952	7	2,232	6,881	1,721	31,520	3,102	6,262	40,884
Insurance	12,207	3,509	942	1,268	2,011	605	207	20,749	2,681	255	23,685
Telephone	10,369	719	2,362	2	654	4,348	561	19,015	987	393	20,395
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
Printing	774	-	874	-	1,024	1,750	36	4,458	182	505	5,145
Maintenance and repairs	2,048	915	150	7	94	273	75	3,562	144	62	3,768
Postage and delivery	369	19	31	1	16	49	14	499	375	1,711	2,585
Dues and fees	919	-	-	-	-	460	-	1,379	119	-	1,498
Miscellaneous	-	-	-	-	-	-	-	-	3,623	951	4,574
	$ 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
Statement of Functional Expenses
For the Year Ended June 30, 2024

	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	$ 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
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
Supplies	138,880	1,001	19,917	131	747	2,819	240	163,735	2,799	12,689	179,223
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
Insurance	8,381	2,531	437	926	1,351	303	93	14,022	1,781	204	16,007
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
Training and registration	59	49	588	-	2,448	342	-	3,486	1,030	33	4,549
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
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
Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	2025	2024
Operating Activities		
Change in net assets	$ 132,664	$ 46,886
Adjustments to reconcile change in net assets		
to net change in cash from operating activities:		
Depreciation	94,577	94,123
Unrealized gain on investments	(92,992)	(98,018)
Changes in certain assets and liabilities:		
Grants receivable	(48,916)	17,908
Prepaid expenses	1,011	(7,799)
Accounts payable	(23,117)	18,994
Accrued expenses	17,286	2,425
Refundable advances	(50,730)	50,730
Deferred revenue	16,735	6,474
Net change in cash from operating activities	46,518	131,723
Investing Activities		
Purchases of fixed assets	(95,749)	-
Proceeds from sale of investments, net	901	13,546
Net change in cash from investing activities	(94,848)	13,546
Net Change in Cash	(48,330)	145,269
Cash and Cash Equivalents, Beginning of Year	771,800	626,531
Cash and Cash Equivalents, End of Year	$ 723,470	$ 771,800

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 $122,183 and $121,281 as of June 30, 2025 and 2024, 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

Refundable Advances
The Organization 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. The Organization had refundable grant advances in excess of expenditures of $50,730 as of June 30, 2024. There were no refundable grant advances as of June 30, 2025.

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, 2025 and 2024, 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, 2021 are open to audit for both federal and state purposes.

Subsequent Events
The Organization evaluated subsequent events through September 29, 2025, 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	2025	2024	Program Benefitted	Restriction
Food	$ 16,845	$ 16,100	Crisis Residential	None
Clothing	17,324	81,554	Crisis Residential	None
Household goods	19,443	39,839	Crisis Residential	None
Fundraiser items	10,431	12,587	Fundraising	Fundraising
Occupancy service	6,615	7,290	Family Violence Outreach	None
Direct assistance	28,927	39,390	Crisis Residential	None
	$ 99,585	$ 196,760		

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 – Fixed Assets

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

	2025	2024
Building and improvements	$ 3,308,338	$ 3,212,589
Equipment	128,847	128,847
Vehicles	59,555	59,555
	3,496,740	3,400,991
Less: accumulated depreciation	(1,712,628)	(1,618,051)
Fixed assets, net	$ 1,784,112	$ 1,782,940

The Organization 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. The Organization has the option to extend the lease for three additional 5-year terms.

Note 5 – 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.

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, 2025 and 2024.

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.

Note 5 – Fair Value Measurement (Continued)

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]
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
2024					
Corporate bonds	$ 580,354	$ 580,354	$ -	$ -	$ -
Mutual funds	229,621	229,621	-	-	-
MCCF endowment	11,639	-	-	-	11,639
	$ 821,614	$ 809,975	$ -	$ -	$ 11,639

(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 6 – 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:

	2025	2024
Truck	$ 2,370	$ 2,813
School uniforms	2,349	2,349
Drug use education	-	1,003
Other	1,842	1,904
Held by MCCF	12,800	11,639
	$ 19,361	$ 19,708

Note 6 – Net Assets with Donor Restrictions (Continued)

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:

	2025	2024
Truck	$ 443	$ -
Drug use education	1,003	-
Other	287	-
	$ 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 7 – 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, 2025 and 2024. Expense recognized under the plan was $29,505 and $24,981 during the years ended June 30, 2025 and 2024, respectively.

Note 8 – 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, 2025 by approximately $186,920.

Note 9 – Grant Funding

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

	2025	2024
Federal cost reimbursement grants:		
Crime Victim Assistance	$ 205,286	$ 254,292
Continuance of Care	314,920	318,316
Family Violence and Prevention Services	139,841	130,614
Education for Homeless Children	41,685	43,021
Emergency Solutions Grant	35,000	34,800
Other	78,133	27,518
	814,865	808,561
Federal fee for service agreements:		
Social Services Block Grant	30,700	30,700
Federal funding total	$ 845,565	$ 839,261
State and local funding:		
Domestic Violence Prevention and Treatment	$ 314,246	$ 230,279
Other	5,500	5,000
State and local funding total	$ 319,746	$ 235,279
Foundations and other grants:		
Tipton County Foundation	$ 31,085	$ 30,030
Youth Leadership	-	10,000
Foroulis Private Foundation	10,000	10,000
Sonnentag Foundation	7,000	7,000
Hancock Community Foundation	3,400	6,000
Centerpoint Foundation	3,500	3,500
Allstate Foundation	-	1,858
Women's Fund of Central Indiana	10,000	-
Christ Church Cathedral	3,000	-
Other	12,350	32,250
Foundations and other grants total	$ 80,335	$ 100,638

Note 10 – 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:

	2025	2024
Financial assets	$ 1,818,416	$ 1,725,739
Less: those unavailable due to restrictions by donor with time or purpose	(19,361)	(19,708)
	$ 1,799,055	$ 1,706,031

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.

Supplementary Information

Alternatives Incorporated of Madison County
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor Agency/Pass-Through Entity/Cluster Title/Program Title/Project Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Awards Expended
U.S. DEPARTMENT OF JUSTICE			
Pass-Through Indiana Criminal Justice Institute:			
Crime Victim Assistance			
Services to Victims of Domestic Violence	16.575	VOCA-2022-00044	$ 65,321
Services to Victims of Domestic Violence	16.575	VOCA-2022-00006	139,965
Total U.S. Department of Justice			205,286
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Pass-Through Indiana Housing and Community Development Authority:			
Emergency Solutions Program Fund	14.231	ES-024-004	35,000
Continuum of Care Program	14.267	DVTHRR-023-0217-01	137,559
Continuum of Care Program	14.267	DVTHRR-024-0217-01	177,361
Pass-Through City of Anderson:			
Community Development Block Grants/Entitlement Grants	14.218	C-24-PS-03	23,185
Community Development Block Grants/Entitlement Grants	14.218		468
Total U.S. Department of Housing and Urban Development			373,573
FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)			
Pass-Through United Way:			
Education Food and Shelter National Board Program	97.024	272400-002 41	3,750
U.S. DEPARTMENT OF EDUCATION			
Pass-Through Indiana Department of Education:			
Education for Homeless Children and Youth	84.196	80370	13,477
Education for Homeless Children and Youth	84.196	90983	28,208
Total U.S. Department of Education			41,685
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Pass-Through Indiana Criminal Justice Institute:			
Family Violence Prevention and Services/Domestic			
Violence Shelter and Supportive Services	93.671	FVPSA-2024-00019	73,954
Violence Shelter and Supportive Services	93.671	FVPSA-2023-00001	31,444
Violence Shelter and Supportive Services	93.671	FVPSA-TEST-2022-00016	8,645
Violence Shelter and Supportive Services	93.671	FVPSATESTC-2024-00013	24,663
Violence Shelter and Supportive Services	93.671	FVPSA-ARP-2021-00013	1,135
Social Services Block-Grant	93.667	ES-024-004	30,700
Total U.S. Department of Health and Human Services			170,541
U.S. DEPARTMENT OF TREASURY			
Pass-Through City of Anderson:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	ARPA-23-NP-03	50,730
Total federal awards expended			$ 845,565

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, 2025

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 (the Organization) under programs of the federal government for the year ended June 30, 2025. 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 the Organization, it is not intended to and does not present the financial position, change in net assets, functional expenses, nor cash flows of the Organization.

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

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

Donovan CPAs

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 (the Organization), which comprise the statement of financial position as of June 30, 2025, 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 September 29, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility 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 the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Donovan

Donovan CPAs
Indianapolis, Indiana
September 29, 2025

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 (the Organization) 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 the Organization's major federal programs for the year ended June 30, 2025. The Organization's 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, the Organization 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, 2025.

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 the Organization 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 the Organization's 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 the Organization's federal programs.

Auditor's 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 the Organization's compliance based on our audit. 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, *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 the Organization's 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 the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's 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 the Organization's 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.

Donovan

Donovan CPAs
Indianapolis, Indiana
September 29, 2025

Alternatives Incorporated of Madison County
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

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:

Assistance Listing Number	Name of Federal Program or Cluster
16.575	Services to Victims of Domestic Violence

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, 2025 and 2024

Auditor Information:	Donovan CPAs 9292 N Meridian Street, Suite 150 Indianapolis, IN 46260
Phone Number:	(317) 844-8300
Fax Number:	(317) 745-6545
Auditor Contract:	Benjamin A. Lippert, CPA
Auditor Contact Title:	Partner
Auditor Contact Email:	blippert@cpadonovan.com