

ALIVE, INC.
(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEARS ENDED
MARCH 31, 2021 AND 2020
AND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED
MARCH 31, 2021

ALIVE, INC.

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Linda A. Howdeshell, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
ALIVE, Inc.

Report on the Financial Statements

I have audited the accompanying statements of financial position of ALIVE, Inc. (“the Organization”), as of March 31, 2021, and 2020, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Linda A. Howdeshell, CPA

INDEPENDENT AUDITOR'S REPORT

Opinion

In my opinion, the financial statements referred to in the first paragraph presents fairly, in all material respects, the financial position of the Organization, as of March 31, 2021, and 2020, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Supplemental Information

My audit was 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 my opinion, the information 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*, I have also issued my report dated December 2, 2021, on my consideration of the Organization's internal control over financial reporting and on my 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 my 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.

Linda A. Howdeshell CPA

St. Louis, Missouri
December 2, 2021

ALIVE, Inc.
STATEMENTS OF FINANCIAL POSITION

ASSETS

| | March 31, | |
|---|-------------------|-------------------|
| | 2021 | 2020 |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 88,117 | \$ 8,663 |
| Grants and contributions receivables | 226,948 | 243,971 |
| Prepaid expenses | 7,385 | 6,982 |
| | 322,450 | 259,616 |
| LONG-TERM ASSETS | | |
| Property and equipment, net accumulated depreciation | 20,195 | 33,607 |
| Rent deposit | 2,030 | 2,030 |
| | 22,225 | 35,637 |
| TOTAL ASSETS | \$ 344,675 | \$ 295,253 |

LIABILITIES AND NET ASSETS

| | | |
|---|-------------------|-------------------|
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 103,631 | \$ 107,683 |
| | | |
| NET ASSETS | | |
| Net assets without donor restrictions | | |
| Invested in capital assets | 20,195 | 33,607 |
| Available for operations | 165,341 | 92,987 |
| Total net assets without donor restrictions | 185,536 | 126,594 |
| Net assets with donor restrictions | 55,508 | 60,976 |
| Total Net Assets | 241,044 | 187,570 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 344,675 | \$ 295,253 |

See accompanying notes to financial statements
(3)

ALIVE, Inc.
STATEMENT OF ACTIVITIES
For the Year Ended March 31, 2021

| | Funds without Donor Restrictions | Funds with Donor Restrictions | Total |
|---------------------------------------|-------------------------------------|----------------------------------|-------------------|
| SUPPORT AND REVENUE | | | |
| Grants | \$ 1,330,884 | \$ 55,508 | \$ 1,386,392 |
| Contributions | 238,970 | - | 238,970 |
| Fundraising | 30,455 | - | 30,455 |
| Paycheck protection program | 221,680 | - | 221,680 |
| In-kind donations | 17,780 | - | 17,780 |
| Interest income | 36 | - | 36 |
| Miscellaneous | 9,518 | - | 9,518 |
| Net assets released from restrictions | 60,976 | (60,976) | - |
| TOTAL SUPPORT AND REVENUE | 1,910,299 | (5,468) | 1,904,831 |
| EXPENSES | | | |
| Program services | 1,701,431 | - | 1,701,431 |
| Supporting services | | | |
| Management and general | 90,872 | - | 90,872 |
| Fundraising | 59,054 | - | 59,054 |
| TOTAL EXPENSES | 1,851,357 | - | 1,851,357 |
| CHANGE IN NET ASSETS | 58,942 | (5,468) | 53,474 |
| NET ASSETS, Beginning of year | 126,594 | 60,976 | 187,570 |
| NET ASSETS, End of year | \$ 185,536 | \$ 55,508 | \$ 241,044 |

See accompanying notes to financial statements
(4)

ALIVE, Inc.
STATEMENT OF ACTIVITIES
For the Year Ended March 31, 2020

| | Funds without Donor Restrictions | Funds with Donor Restrictions | Total |
|---------------------------------------|-------------------------------------|----------------------------------|--------------|
| SUPPORT AND REVENUE | | | |
| Grants | \$ 1,562,585 | \$ 43,801 | \$ 1,606,386 |
| Contributions | 219,171 | 17,175 | 236,346 |
| Fundraising | 131,278 | - | 131,278 |
| Paycheck protection program | - | - | - |
| In-kind donations | 40,495 | - | 40,495 |
| Interest income | 1 | - | 1 |
| Miscellaneous | 12,405 | - | 12,405 |
| Net assets released from restrictions | 32,536 | (32,536) | - |
| TOTAL SUPPORT AND REVENUE | 1,998,471 | 28,440 | 2,026,911 |
| EXPENSES | | | |
| Program services | 1,810,362 | - | 1,810,362 |
| Supporting services | | | |
| Management and general | 53,356 | - | 53,356 |
| Fundraising | 172,668 | - | 172,668 |
| TOTAL EXPENSES | 2,036,386 | - | 2,036,386 |
| CHANGE IN NET ASSETS | (37,915) | 28,440 | (9,475) |
| NET ASSETS, Beginning of year | 164,509 | 32,536 | 197,045 |
| NET ASSETS, End of year | \$ 126,594 | \$ 60,976 | \$ 187,570 |

See accompanying notes to financial statements
(5)

ALIVE, Inc.
STATEMENTS OF CASH FLOWS

| | Years Ended March 31 | |
|---|----------------------|------------|
| | 2021 | 2020 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 53,474 | \$ (9,475) |
| Adjustments to reconcile change in net assets to net change in cash from operating activities: | | |
| Depreciation | 13,413 | 13,326 |
| Loss on disposal of property and equipment | - | 4,207 |
| (Increase) decrease in assets: | | |
| Grants and contributions receivables | 17,023 | (102,861) |
| Prepaid expenses | (403) | 1,899 |
| Rent deposit | - | (1,030) |
| (Decrease) increase in liabilities: | | |
| Accounts payable | (4,053) | 71,066 |
| Net Change in Cash and Cash Equivalents from Operating Activities | 79,454 | (22,868) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property and equipment | - | (8,008) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 79,454 | (30,876) |
| CASH AND CASH EQUIVALENTS -- BEGINNING OF THE YEAR | 8,663 | 39,539 |
| CASH AND CASH EQUIVALENTS -- END OF THE YEAR | \$ 88,117 | \$ 8,663 |
| SUPPLEMENTAL DISCLOSURES | | |
| Cash paid during the year for interest | \$ 1,204 | \$ 1,913 |
| Cash paid during the year for income taxes | \$ - | \$ - |

See accompanying notes to financial statements

ALIVE, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended March 31, 2021

| | Supporting Services | | | | Total |
|---|---------------------------|---------------------------|-------------|------------------------------|--------------|
| | Total Program Services | Management and General | Fundraising | Total Supporting Services | |
| Salaries | \$ 905,316 | \$ 37,710 | \$ 3,580 | \$ 41,290 | \$ 946,606 |
| Payroll taxes | 69,618 | 1,988 | - | 1,988 | 71,606 |
| Employee benefits | 71,220 | 483 | - | 483 | 71,703 |
| Total Payroll, and related expenses | 1,046,154 | 40,181 | 3,580 | 43,761 | 1,089,915 |
| Shelter assistance | 252,663 | - | - | - | 252,663 |
| Assistance to others | 18,134 | - | - | - | 18,134 |
| Professional fees and contractors | 85,207 | 53,331 | 32,462 | 85,793 | 171,000 |
| Occupancy | 116,957 | 8,147 | - | 8,147 | 125,104 |
| Supplies | 27,096 | 11,120 | 16,292 | 27,412 | 54,508 |
| Flood damage and restoration | 7,888 | - | - | - | 7,888 |
| Travel and meetings | - | 1,771 | - | 1,771 | 1,771 |
| Repairs and maintenance | 12,228 | 17,932 | - | 17,932 | 30,160 |
| Insurance | 11,659 | 17,242 | - | 17,242 | 28,901 |
| Printing and publications | - | - | 2,975 | 2,975 | 2,975 |
| Training | 9,091 | 5,438 | - | 5,438 | 14,529 |
| Miscellaneous | - | 11,458 | 3,084 | 14,542 | 14,542 |
| Telephone and internet | 12,115 | 2,832 | - | 2,832 | 14,947 |
| Advertising, public relations, and marketing | 4,257 | 5,197 | 340 | 5,537 | 9,794 |
| Postage and shipping | 420 | 372 | 321 | 693 | 1,113 |
| Total expense before depreciation and indirect cost | 1,603,869 | 175,021 | 59,054 | 234,075 | 1,837,944 |
| Depreciation expense | 12,879 | 534 | - | 534 | 13,413 |
| Indirect cost | 84,683 | (84,683) | - | (84,683) | - |
| Total Expenses | \$ 1,701,431 | \$ 90,872 | \$ 59,054 | \$ 149,926 | \$ 1,851,357 |
| % of Total Expenses | 91.9% | 4.9% | 3.2% | | 100.0% |

See accompanying notes to financial statements

ALIVE, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended March 31, 2020

| | <u>Program Service:</u> | <u>Supporting Services</u> | | | Total |
|---|-------------------------------|-------------------------------|--------------------|----------------------------------|---------------------|
| | <u>Total Program Services</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>Total Supporting Services</u> | |
| Salaries | \$ 782,763 | \$ 69,640 | \$ 25,826 | \$ 95,466 | \$ 878,229 |
| Payroll taxes | 62,973 | 5,603 | 2,078 | 7,681 | 70,654 |
| Employee benefits | 63,531 | 288 | - | 288 | 63,819 |
| Total Payroll, and related expenses | <u>909,267</u> | <u>75,531</u> | <u>27,904</u> | <u>103,435</u> | <u>1,012,702</u> |
| Shelter assistance | 189,912 | - | - | - | 189,912 |
| Assistance to others | 174,353 | - | - | - | 174,353 |
| Professional fees and contractors | 113,935 | 36,528 | 73,995 | 110,523 | 224,458 |
| Occupancy | 127,308 | 12,552 | 4,101 | 16,653 | 143,961 |
| Supplies | 47,240 | 1,855 | 18,875 | 20,730 | 67,970 |
| Flood damage and restoration | 62,186 | 10,364 | 2,591 | 12,955 | 75,141 |
| Travel and meetings | 8,403 | - | 23,434 | 23,434 | 31,837 |
| Repairs and maintenance | - | 3,854 | - | 3,854 | 3,854 |
| Insurance | 24,836 | 6,027 | 1,143 | 7,170 | 32,006 |
| Printing and publications | 10,595 | 1,413 | 1,235 | 2,648 | 13,243 |
| Training | 7,760 | - | - | - | 7,760 |
| Miscellaneous | 4,854 | 7,084 | 150 | 7,234 | 12,088 |
| Telephone and internet | 11,404 | 1,394 | 349 | 1,743 | 13,147 |
| Advertising, public relations, and marketing | 882 | - | 17,541 | 17,541 | 18,423 |
| Postage and shipping | 618 | 618 | 969 | 1,587 | 2,205 |
| Total expense before depreciation and indirect cost | <u>1,693,553</u> | <u>157,220</u> | <u>172,287</u> | <u>329,507</u> | <u>2,023,060</u> |
| Depreciation expense | 11,422 | 1,523 | 381 | 1,904 | 13,326 |
| Indirect cost | <u>105,388</u> | <u>(105,388)</u> | <u>-</u> | <u>(105,388)</u> | <u>-</u> |
| Total Expenses | <u>\$ 1,810,362</u> | <u>\$ 53,356</u> | <u>\$ 172,668</u> | <u>\$ 226,024</u> | <u>\$ 2,036,386</u> |
| | | | | | |
| % of Total Expenses | 88.9% | 2.6% | 8.5% | | 100.0% |

See accompanying notes to financial statements

ALIVE, Inc.
NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization and Operations

Alive, Inc. (“ALIVE”) is a not-for-profit organization incorporated in the State of Missouri committed to providing short-term emergency sanctuary and support services to adults and children victimized by domestic violence. Its mission is to provide counseling, emergency sanctuary and other critical services to adults and children impacted by domestic abuse, as well as to increase awareness in order to create a supportive community.

All services are provided on a donation-only basis, with no one turned away because of the inability to pay. It services individuals in the St. Louis County, Franklin County, St. Charles County, Jefferson County and the City of St. Louis areas of Missouri. Its vision is to end domestic abuse, restoring safety and peace, one family at a time.

COVID Ongoing Impact and Flooding

The ongoing impact of COVID created a modification on how services were provided. No more in person counseling and no physical contact with clients in the NOS program was allowed to protect the health and safety of staff and the public.

ALIVE followed the protocol of all regulations that were put in place by county officials with the shelter in place order; when this was lifted, essential staff on the crisis line returned to the office yet remained in separate offices to protect exposure and all staff wore protective masks at all times. In addition, at an additional expense, ALIVE began a deep cleaning and COVID cleaning five times a week to further provide disinfection to the office space. COVID also caused all of the in person fundraising to be cancelled.

In August of 2020, ALIVE experienced a second flood causing a temporary shut down of the administrative offices. During this closure, services continued by working from the satellite office in Franklin County. Damages were not covered by insurance and were covered by operating funds.

Subsequent Events

Subsequent events have been evaluated through December 2, 2021, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

Basis of Accounting

The accompanying financial statements of ALIVE have been prepared on the accrual basis of accounting.

ALIVE, Inc.
NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

Cash and cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets without donor restrictions are resources available to support operations. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The organization's unspent contributions are classified in this class if the donor limited their use.

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

ALIVE, Inc.
NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets (continued)

Net assets with donor restrictions also includes resources whose use by the organization is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time.

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the use of the related resources is subject to donor restrictions. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Currently, ALIVE does not have any net assets that are limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time.

Grants and Contributions Receivable

Grants and contributions receivable are fees for services rendered and expenses that have not yet been collected. Grants and contributions receivable that are expected to be collected in less than one year are reported at net realizable value. The allowance for uncollectible accounts receivable is determined based on management's evaluation of the collectability of outstanding amounts. ALIVE considers grants and contributions receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Property and Equipment

Equipment is reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

| | |
|------------------------|-----------|
| Leasehold improvements | 5 Years |
| Office equipment | 5-7 Years |
| Vehicles | 5 Years |

Equipment is reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

ALIVE, Inc.
NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as funds with donor restrictions until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with restrictions that neither expire by passage of time or use for a particular purpose. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Grants

Grants from federal, state, and local government agencies are recorded on a cost reimbursement basis.

In-Kind Contributions

The organization periodically receives contributions in a form other than cash or investments. If the organization receives a contribution of land, buildings, or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the organization's capitalization policy. Donated use of facilities is reported as contributions and as expenses at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the contribution is reported as a contribution and an unconditional promise to give at the date of gift, and the expense is reported over the term of use. Donated supplies are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed.

The organization benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the organization's program operations and in its fundraising campaigns. However, the majority of the contributed services do not meet the criteria for recognition in financial statements. GAAP allow recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills.

ALIVE, Inc.
NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tax Status

The organization is incorporated exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). The tax years ending 2021, 2020, and 2019 are still open to audit for both federal and state purposes. Contributions to the organization are tax deductible to donors under Section 170 of the IRC. The organization is not classified as a private foundation.

Expense Recognition and Allocation

The cost of providing the organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited based on time spent. This allocation is reviewed annually.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The organization generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

ALIVE, Inc.
NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE B – PROPERTY AND EQUIPMENT

Property and equipment are as follows at March 31,:

| | <u>2021</u> | <u>2020</u> |
|-----------------------------------|----------------------|----------------------|
| Office equipment | \$ 38,179 | \$ 38,179 |
| Furniture and fixtures | 7,024 | 7,024 |
| Vehicle | 18,000 | 18,000 |
| Leasehold improvements | <u>15,975</u> | <u>15,975</u> |
| Total property and equipment | 79,177 | 79,177 |
| Less accumulated depreciation | <u>(58,982)</u> | <u>(45,570)</u> |
| Net Property and Equipment | <u>\$ 20,195</u> | <u>\$ 33,607</u> |

NOTE C – LINE OF CREDIT

ALIVE has a revolving line of credit from a bank that provides for maximum borrowings of \$82,500. The line of credit automatically renews and is secured by ALIVE’s assets. Borrowings under this agreement incur interest at the greater of 2.0% plus the lender’s prime rate or 3.0%. At March 31, 2020, the interest was 6.75%. \$59,500 was outstanding at March 31, 2020. No amount was outstanding at March 31, 2021.

NOTE D – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purpose and period at March 31,:

| | <u>2021</u> | <u>2020</u> |
|--|----------------------|----------------------|
| General support and time | \$ 17,175 | \$ 27,175 |
| Program | <u>33,801</u> | <u>33,801</u> |
| Total net assets with donor restrictions | <u>\$ 50,976</u> | <u>\$ 60,976</u> |

NOTE E – CONCENTRATION

ALIVE received approximately 50% of its support and revenue from the U.S. Department of Justice Victims of Crime Act grant for the years ending March 31, 2021, and 2020. A significant reduction in the level of this support, if this were to occur, could have a significant effect on programs and activities.

ALIVE, Inc.
NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE F – LEASES

ALIVE leases office space for its main office location from a third party under a license agreement effective June 1, 2016, for a term of five years and one month, through July 31, 2021. Monthly payments are \$7,316 from June 2016 through June 2017 and increased to \$7,416 through June 2018. Thereafter, lease payments increase by \$100 every June through the end of the lease. As discussed in Note I, the landlords have donated a portion of the lease payments.

Effective February 26, 2021, ALIVE entered into an agreement for its new main office location for a term of 10 years beginning March 1, 2021. In addition to the base rent, ALIVE is required to pay taxes, insurance, and common area maintenance of \$1467 per month. Utilities are also paid by ALIVE. After the initial term, ALIVE has an option to renew for an additional five years upon written notice to the landlord prior to the expiration of the initial term. The tenant improvement allowance associated with this lease is \$109,980 and will be amortized over the life of the lease.

ALIVE leases its Franklin County, Missouri, office on a month-to-month basis. Lease payments are \$800 per month.

ALIVE leases its Union, Missouri, office on an annually renewed basis. Lease payments are \$2,115 per month plus real estate tax of \$342.

Annual rent expense under these leases was \$112,339, and \$99,222 for the years ending March 31, 2021, and 2020, respectively. Future minimum lease payments are as follows at March 31:

| | |
|---------------------|-------------------|
| 2022 | \$ 52,092 |
| 2023 | 44,284 |
| 2024 | 45,613 |
| 2025 | 46,981 |
| 2026 and thereafter | <u>331,893</u> |
| Total | <u>\$ 520,863</u> |

ALIVE leases equipment under non-cancellable operating leases which expires August 20, 2021 and November 14, 2021. Equipment leasing expense was \$4,657 for the years ending March 31, 2021, and 2020.

Effective May 19, 2021, ALIVE entered into an agreement to lease two copy machines for a term of 60 months and \$390 per month. The future minimum lease payments are as follows at March 31:

| | |
|---------------------|------------------|
| 2022 | \$ 6,623 |
| 2023 | 4,679 |
| 2024 | 4,679 |
| 2025 | 4,679 |
| 2026 and thereafter | <u>5,069</u> |
| Total | <u>\$ 25,729</u> |

ALIVE, Inc.
NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020

NOTE G – RETIREMENT PLAN

ALIVE maintains a retirement savings plan under Section 403(b) of the Internal Revenue Code, which covers all employees who meet the eligibility requirements. Currently, there are no employer contributions to the plan.

NOTE H – RESERVE

ALIVE is substantially supported by a government grant, as well as, other grants, and contributions. ALIVE maintains a reserve to ensure the stability of the mission, programs, employment, and ongoing operations of the organization. ALIVE has a reserve of approximately 60 days of cash on hand. ALIVE also has access to a line of credit as described in NOTE C.

NOTE I – IN-KIND CONTRIBUTIONS

ALIVE leases its St. Louis office facility at a rate substantially less than fair market value as described in NOTE F. The lessor has contributed a portion of the lease payments to ALIVE in exchange for the receipt of Missouri Neighborhood Assistance Program (NAP) tax credit from the state of Missouri. The value of the donated portion of the lease was \$27,240, and \$26,700 for the years ended March 31, 2021, and 2020, respectively.

NOTE J – PAYCHECK PROTECTION PROGRAM

April 27, 2020, ALIVE entered into an agreement for a loan with a lending institution in the amount of \$221,680. Proceeds of this debt were used in accordance with Paycheck Protection Program guidelines and CARES Act legislation. All conditions were met and the loan was forgiven effective January 31, 2021. The proceeds are appropriately recorded on the Statement of Activities.

NOTE K – RECLASSIFICATIONS

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations. Indirect costs have been broken out as a line item on the Statement of Functional Expenses.

SUPPLEMENTARY INFORMATION

ALIVE, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ending March 31, 2021

| <u>Federal Agency/Program</u> | <u>Federal CFDA Number</u> | <u>Pass-Through Entity</u> | <u>Pass-Through Entity Monitoring Number</u> | <u>Total Expended</u> |
|--|------------------------------------|---|--|---------------------------|
| <u>U.S. Department of Justice</u> Victims of Crime Act | 16.575 | Missouri Department of Social Services | ER130200006 | \$ <u>776,080</u> |
| Total Victims of Crime Act | | | | <u>776,080</u> |
| <u>U.S. Department of Justice</u> Office on Violence Against Women | 16.588 | Missouri Department of Public Safety | 2020-VAWA-028 | <u>37,633</u> |
| Total Office on Violence Against Women | | | | <u>37,633</u> |
| <u>U.S. Department of Justice</u> Office on Violence Against Women | 16.590 | St. Louis County | 2016-WE-AX-0028 | <u>69,964</u> |
| Total Grants to Encourage Arrest Policies and Enforcement Orders | | | | <u>69,964</u> |
| <u>U.S. Small Business Administration</u> COVID 19 Relief - Paycheck Protection Program | 59.073 | BMO | | 221,680 |
| <u>U.S. Small Business Administration</u> COVID 19 Relief - Economic Injury Disaster Loan Emergency Advance | 59.072 | | | <u>10,000</u> |
| Total COVID 19 Relief | | | | <u>231,680</u> |
| <u>U.S. Department of Health and Human Services</u> Temporary Assistance for Needy Families | 93.558 | Missouri Department of Social Services | PG941900003 | <u>22,669</u> |
| Total Temporary Assistance for Needy Families | | | | <u>22,669</u> |
| <u>U.S. Department of Health and Human Services</u> Family Violence Prevention Services | 93.671 | Missouri Department of Social Services | PG941900003 | <u>17,376</u> |
| Total Family Violence Prevention Services | | | | <u>17,376</u> |
| <u>U.S. Department of Homeland Security</u> Federal Emergency Management Agency | 97.024 | United Way of Greater St. Louis | | <u>23,564</u> |
| Total Federal Emergency Management Agency | | | | <u>23,564</u> |
| <u>Total Federal Award Expenditures</u> | | | | <u>\$1,178,966</u> |

See Notes to the Schedule of Expenditures of Federal Awards

ALIVE, Inc.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ending March 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) summarizes the expenditures of ALIVE, Inc.’s (“ALIVE”) under programs of the Federal Government for the year ended March 31, 2021. Expenditures of direct awards to ALIVE are reported in total by program. The formation in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements. ALIVE includes the amounts in the Schedule in the unrestricted net assets of ALIVE’s Statement of Activities for the year ended March 31, 2021.

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

Direct expenses are recorded based upon actual expenses incurred that are allowable per the program requirements. Indirect expenses are allocated based upon recorded direct expenses. ALIVE has elected to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

Linda A. Howdeshell, CPA

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

To the Board of Directors of
ALIVE, Inc.

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of ALIVE, Inc. (a nonprofit organization), which comprise the statement of financial position as of March 31, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated December 2, 2021.

Internal Control over Financial Reporting

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

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

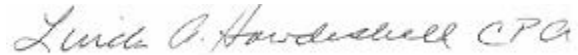
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ALIVE, Inc.'s financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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.

Handwritten signature of Linda A. Howdeshell CPA in cursive.

St. Louis, Missouri
December 2, 2021

Linda A. Howdeshell, CPA

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

To the Board of Directors of
ALIVE, Inc.

Report on Compliance for Each Major Federal Program

I have audited ALIVE, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of ALIVE, Inc.'s major federal programs for the year ended March 31, 2021. ALIVE, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

My responsibility is to express an opinion on compliance for each of ALIVE, Inc.'s major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about ALIVE, Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my qualified and unmodified opinion on compliance for each major federal program. However, my audit does not provide a legal determination of ALIVE, Inc.'s compliance.

Opinion on Each Major Federal Program

In my opinion, ALIVE, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2021.

Other Matters

The results of my auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-001. In my opinion on each major federal program is not modified with respect to these matters.

ALIVE, Inc.'s response to the noncompliance findings identified in my audit is described in the accompanying schedule of findings and questioned costs. ALIVE, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

Report on Internal Control Over Compliance

Management of ALIVE, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered ALIVE, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of ALIVE, Inc.'s internal control over compliance.

My consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, I did identify certain deficiencies in internal control over compliance that I consider to be material weaknesses.

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. I consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a material weakness.

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.

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.



St. Louis, Missouri
December 2, 2021

ALIVE, Inc.
 SCHEDULE OF INDEPENDENT AUDITOR'S FINDINGS AND QUESTIONED COSTS
 For the year ending March 31, 2021

Part I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified not considered
To be material weaknesses? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major programs:

Material weakness(es) identified? X Yes No

Significant deficiency(ies) identified not considered
to be material weaknesses? Yes X None reported

Any audit findings disclosed that are required to be Reported in accordance with Uniform Guidance Section 200.516(a)? X Yes No

Identification of Major Programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|--|
| 16.575 | U.S. Department of Justice Victims of Crime Act |
| 59.073 | U.S Small Business Administration |

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes X No

Part II – Financial Statement Findings

There are no financial statement findings to report

ALIVE, Inc.
SCHEDULE OF INDEPENDENT AUDITOR'S FINDINGS AND QUESTIONED COSTS
For the year ending March 31, 2021

Part III – Federal Award Findings and Questioned Costs

Finding 2021-001: Material Weakness in Compliance and Internal Controls Over Compliance for Unallowable Costs

Federal Agency: U.S. Department of Justice
Program Title: Victims of Crime Act
CFDA Number: 16.575
Pass-Through Entity: Missouri Department of Social Services
Award Number: ER130200006
Award Period: November 1, 2019 to September 30, 2021

Criteria

ALIVE, Inc. is responsible for calculating and preparing invoices for actual costs to federal awards.

Condition

During testing over reporting, it was noted that federal award invoices were significantly higher than expected.

Cause

Upon review of invoices, it was noted that one disbursement had been resubmitted for reimbursement in error. It was also noted that the spreadsheet used for calculating reimbursement had an inaccurate calculation due to one cell containing an incorrect formula. Furthermore, indirect costs were being incorrectly calculated.

Effect

Failure to accurately calculate the amounts to be paid to ALIVE, Inc. for the program resulted in overcharging the federal award.

Repeat Finding

Not Applicable.

Questioned Costs

\$75,529

Recommendation

It is recommended policies and procedures are created and implemented to notate invoices as submitted for payment to ensure that duplicates are not resubmitted for payment from federal awards and only original invoices are submitted for payments. Statements and copies should not be used for payment. It is also recommended that financial reporting be prepared by program in an efficient manner and reviewed regularly by management to determine irregularities by program as it relates to other programs and in total for the organization.

Response by Auditee

ALIVE administrative staff identified a corrupted excel file used to invoice VOCA federal funds for a period of three months in 2021 resulting in overpayments of funds. This identified mistake was immediately reported to the Department of Social Services who oversees the VOCA funds in Missouri.

In direct response to this finding, the corrupted excel invoice was corrected and no other invoices were determined to be incorrect. Arrangements have been made to contract with a new CPA firm to provide additional oversight over federal funds and expenditures.

Corrective Action Plan

Contact Name: Maggie Menefee

Corrective Action: Report to Missouri Department of Social Services, correction of corrupted excel formula, and additional oversight of federal funds and expenditures.

Expected Completion Date: January 31, 2022

ALIVE, Inc.
SCHEDULE OF INDEPENDENT AUDITOR'S FINDINGS AND QUESTIONED COSTS
For the year ending March 31, 2021

Part IV – Summary Schedule of Prior Audit Findings

No matters were reported.