

ALIVE, INC.
(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEARS ENDED
MARCH 31, 2022 AND 2021
AND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED
MARCH 31, 2022

ALIVE, INC.

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Linda A. Howdeshell, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
ALIVE, Inc.

Opinion

I have audited the accompanying statements of financial position of ALIVE, Inc. (“the Organization”), as of March 31, 2022, and 2021, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

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, 2022, and 2021, 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.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. I am required to be independent of ALIVE, Inc. and to meet other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

My 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 that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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 that, 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 generally accepted auditing standards, I:

- 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 that are 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, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

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 October 24, 2022, 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 O. Howdeshell CPA

St. Louis, Missouri
November 9, 2022

ALIVE, Inc.
STATEMENTS OF FINANCIAL POSITION

ASSETS

	March 31,	
	2022	2021
CURRENT ASSETS		
Cash and cash equivalents	\$ 28,266	\$ 88,117
Grants and contributions receivables	737,839	226,948
Prepaid expenses	7,385	7,385
	773,490	322,450
LONG-TERM ASSETS		
Property and equipment, net accumulated depreciation	30,200	20,195
Rent deposit	4,869	2,030
	35,069	22,225
TOTAL ASSETS	\$ 808,559	\$ 344,675

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 80,348	\$ 103,631
Other liabilities	578,980	-
	659,328	103,631
NET ASSETS		
Net assets without donor restrictions		
Invested in capital assets	30,200	20,195
Available for operations	66,948	165,341
	97,148	185,536
Net assets with donor restrictions	52,083	55,508
	149,231	241,044
TOTAL LIABILITIES AND NET ASSETS	\$ 808,559	\$ 344,675

See accompanying notes to financial statements
(4)

ALIVE, Inc.
STATEMENT OF ACTIVITIES
For the Year Ended March 31, 2022

	Funds without Donor Restrictions	Funds with Donor Restrictions	Total
SUPPORT AND REVENUE			
Grants	\$ 1,589,926	\$ 33,333	\$ 1,623,259
Contributions	286,580	18,750	305,330
Fundraising	76,863	-	76,863
Paycheck protection program	-	-	-
In-kind donations	16,414	-	16,414
Interest income	28	-	28
Miscellaneous	101	-	101
Net assets released from restrictions	55,508	(55,508)	-
TOTAL SUPPORT AND REVENUE	2,025,420	(3,425)	2,021,995
EXPENSES			
Program services	1,794,715	-	1,794,715
Supporting services			
Management and general	229,773	-	229,773
Fundraising	89,320	-	89,320
TOTAL EXPENSES	2,113,808	-	2,113,808
CHANGE IN NET ASSETS	(88,388)	(3,425)	(91,813)
NET ASSETS, Beginning of year	185,536	55,508	241,044
NET ASSETS, End of year	\$ 97,148	\$ 52,083	\$ 149,231

See accompanying notes to financial statements
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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	\$ 1,348,059	\$ 38,333	\$ 1,386,392
Contributions	221,795	17,175	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	1,616,748	-	1,616,748
Supporting services			
Management and general	175,555	-	175,555
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
(6)

ALIVE, Inc.
STATEMENTS OF CASH FLOWS

	Years Ended March 31	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (91,813)	\$ 53,474
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation	15,295	13,413
Loss on disposal of property and equipment	-	-
(Increase) decrease in assets:		
Grants and contributions receivables	(510,891)	17,023
Prepaid expenses	-	(403)
Rent deposit	(2,839)	-
(Decrease) increase in liabilities:		
Accounts payable	(63,328)	(4,053)
Line of credit	40,045	-
Other liabilities	578,980	-
Net Change in Cash and Cash Equivalents from Operating Activities	(34,551)	79,454
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of leasehold improvements	(25,300)	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	(59,851)	79,454
CASH AND CASH EQUIVALENTS -- BEGINNING OF THE YEAR	88,117	8,663
CASH AND CASH EQUIVALENTS -- END OF THE YEAR	\$ 28,266	\$ 88,117
SUPPLEMENTAL DISCLOSURES		
Cash paid during the year for interest	\$ 603	\$ 1,204
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, 2022

	Supporting Services				Total
	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 946,686	\$ 18,373	\$ -	\$ 18,373	\$ 965,059
Payroll taxes	75,260	960	-	960	76,220
Employee benefits	78,587	8,126	-	8,126	86,713
Total Payroll, and related expenses	1,100,533	27,459	-	27,459	1,127,992
Shelter assistance	426,383	-	-	-	426,383
Professional fees and contractors	116,016	33,692	67,105	100,797	216,813
Occupancy	33,572	75,858	10,777	86,635	120,207
Supplies	25,311	15,583	5,516	21,099	46,410
Assistance to others	44,010	-	-	-	44,010
Insurance	26,876	524	-	524	27,400
Advertising, public relations, and marketing	8,638	10,653	2,122	12,775	21,413
Repairs and maintenance	7,008	9,555	-	9,555	16,563
Telephone and internet	9,499	3,521	-	3,521	13,020
Miscellaneous	2,023	10,176	119	10,295	12,318
Moving expense	11,835	453	-	453	12,288
Travel and meetings	678	3,934	-	3,934	4,612
Training	1,615	2,053	-	2,053	3,668
Postage and shipping	-	1,166	165	1,331	1,331
Printing and publications	-	569	3,516	4,085	4,085
Flood damage and restoration	-	-	-	-	-
Total expense before depreciation	1,813,997	195,196	89,320	284,516	2,098,513
Depreciation expense	15,004	291	-	291	15,295
Total Expenses	\$ 1,829,001	\$ 195,487	\$ 89,320	\$ 284,807	\$ 2,113,808
% of Total Expenses	86.5%	9.2%	4.2%		100.0%

See accompanying notes to financial statements

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

	<u>Program Service:</u>	<u>Supporting Services</u>			<u>Total</u>
	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
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	<u>1,046,154</u>	<u>40,181</u>	<u>3,580</u>	<u>43,761</u>	<u>1,089,915</u>
Shelter assistance	252,663	-	-	-	252,663
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
Assistance to others	18,134	-	-	-	18,134
Insurance	11,659	17,242	-	17,242	28,901
Advertising, public relations, and marketing	4,257	5,197	340	5,537	9,794
Repairs and maintenance	12,228	17,932	-	17,932	30,160
Telephone and internet	12,115	2,832	-	2,832	14,947
Miscellaneous	-	11,458	3,084	14,542	14,542
Moving expense	-	-	-	-	-
Travel and meetings	-	1,771	-	1,771	1,771
Training	9,091	5,438	-	5,438	14,529
Postage and shipping	420	372	321	693	1,113
Printing and publications	-	-	2,975	2,975	2,975
Flood damage and restoration	7,888	-	-	-	7,888
Total expense before depreciation	<u>1,603,869</u>	<u>175,021</u>	<u>59,054</u>	<u>234,075</u>	<u>1,837,944</u>
Depreciation expense	<u>12,879</u>	<u>534</u>	<u>-</u>	<u>534</u>	<u>13,413</u>
Total Expenses	<u>\$ 1,616,748</u>	<u>\$ 175,555</u>	<u>\$ 59,054</u>	<u>\$ 234,609</u>	<u>\$ 1,851,357</u>
% of Total Expenses	87.3%	9.5%	3.2%		100.0%

See accompanying notes to financial statements

ALIVE, Inc.
NOTES TO FINANCIAL STATEMENTS
March 31, 2022 and 2021

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 November 9, 2022, 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, 2022 and 2021

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. All funds with donor restrictions whose restrictions are fulfilled in the same period as received are recorded as unrestricted.

ALIVE, Inc.
NOTES TO FINANCIAL STATEMENTS
March 31, 2022 and 2021

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 meeting the capitalization threshold of over \$5,000 and expected life of three or more years 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, 2022 and 2021

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, 2022 and 2021

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). There is no unrelated business income for the years ending March 31, 2022, and 2021. 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.

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.

ALIVE, Inc.
NOTES TO FINANCIAL STATEMENTS
March 31, 2022 and 2021

NOTE B – PROPERTY AND EQUIPMENT

Property and equipment are as follows at March 31,:

	<u>2022</u>	<u>2021</u>
Office equipment	\$ 38,179	\$ 38,179
Furniture and fixtures	7,024	7,024
Vehicle	18,000	18,000
Leasehold improvements	<u>26,991</u>	<u>15,974</u>
Total property and equipment	90,194	79,177
Less accumulated depreciation	<u>(59,994)</u>	<u>(58,982)</u>
Net Property and Equipment	<u>\$ 30,200</u>	<u>\$ 20,195</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, 2022, and 2021 the interest was 5.25% and 6.75%, respectively. \$40,045 was outstanding at March 31, 2022. There was no outstanding balance 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>2022</u>	<u>2021</u>
General support and time	\$ 18,750	\$ 17,175
Program	<u>33,333</u>	<u>33,801</u>
Total net assets with donor restrictions	<u>\$ 52,083</u>	<u>\$ 50,976</u>

NOTE E – CONCENTRATION

ALIVE received approximately 56%, and 50%, of its support and revenue from the U.S. Department of Justice Victims of Crime Act grant for the years ending March 31, 2022, and 2021, respectively. 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, 2022 and 2021

NOTE F – LEASES

Through March 2021, ALIVE leased 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 were \$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 leased its Franklin County, Missouri, office on a month-to-month basis with lease payments of \$2,457 per month. Effective April 2022, ALIVE entered into a new lease agreement for the space for a term of three years and monthly installments of \$1,867. The deposit for this location is \$1,000.

Annual rent expense under these leases was \$84,292, and \$95,088 for the years ending March 31, 2022, and 2021, respectively. Future minimum lease payments are as follows at March 31:

2023	\$ 84,292
2024	85,621
2025	64,585
2026	65,995
2027	67,446
2028 and thereafter	309,944

ALIVE leases equipment under non-cancellable operating leases which expires August 20, 2021 and November 14, 2021.

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:

2023	\$ 4,679
2024	4,679
2025	4,679
2026	4,679
2027	390

Equipment leasing expense was \$6,623 and \$4,657 for the years ending March 31, 2022, and 2021, respectively.

ALIVE, Inc.
NOTES TO FINANCIAL STATEMENTS
March 31, 2022 and 2021

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's goal is to maintain a reserve to ensure the stability of the mission, programs, employment, and ongoing operations of the organization. ALIVE also has access to a line of credit as described in NOTE C.

NOTE I – IN-KIND CONTRIBUTIONS

ALIVE leased its St. Louis office facility at a rate substantially less than fair market value as described in NOTE F. In 2021, the lessor 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 new lease agreement for the St. Louis office facility agreement provided the first five months of rent at no cost. The value of the donated portion of these leases was \$18,090, and \$27,240 for the years ended March 31, 2022, and 2021, respectively. ALIVE receives donated goods for fundraising events with an estimated value of \$5,412 for the year ending March 31, 2022. Events were cancelled during the year ending March 31, 2021 due to COVID, therefore, there were no in-kind donations for the year ending March 31, 2021.

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 – REVENUE RECOGNITION

Major sources of revenue include grants, contributions, and fundraising. Grants are contracts with performance obligations recorded over time as services are rendered or goods are transferred. Grants for the previous month are billed at the beginning of the month and recorded as contract assets in grants and contributions receivable for the period the services are provided and amount to \$130,821, and \$209,773 of the balance at March 31, 2022, and 2021, respectively. The performance obligation for ticket sales from fundraising are completed at the point in time of the event and represents \$9,645 of total fundraising revenue. These above types of revenues are not considered variable consideration. Contributions are unconditional promises to give and are recognized as revenues in the period the contribution is received or promised. The Organization does not have any significant financing component.

SUPPLEMENTARY INFORMATION

ALIVE, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ending March 31, 2022

<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	ER13020006	\$1,103,288
Total Victims of Crime Act				<u>1,103,288</u>
<u>U.S. Department of Justice</u> Office on Violence Against Women Legal Assistance for Victims	16.524			<u>6,210</u>
Total Legal Assistance for Victims				<u>6,210</u>
<u>U.S. Department of Justice</u> Office on Violence Against Women	16.588	Missouri Department of Public Safety	2020-VAWA-003	<u>33,839</u>
Total Office on Violence Against Women				<u>33,839</u>
<u>U.S. Department of Justice</u> Office on Violence Against Women Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	St. Louis County	OVW-2019-15743	<u>74,307</u>
Total Grants to Encourage Arrest Policies and Enforcement of Protection Orders				<u>74,307</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>12,377</u>
Total Temporary Assistance for Needy Families				<u>12,377</u>
<u>U.S. Department of Health and Human Services</u> Family Violence Prevention Services	93.671	Missouri Department of Social Services	PG941900003	<u>31,868</u>
Total Family Violence Prevention Services				<u>31,868</u>
<u>Total Federal Award Expenditures</u>				<u>\$1,261,889</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, 2022

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, 2022. 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, 2022.

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, 2022, 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 October 24, 2022.

Report on 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 or significant deficiencies 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

November 9, 2022

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

Opinion on Each Major Federal Program

I have audited ALIVE, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of ALIVE, Inc.'s major federal programs for the year ended March 31, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

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). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of ALIVE, Inc, and to meet other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of ALIVE Inc.'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 ALIVE, Inc.'s federal programs.

Auditors' Responsibility for the Audit of Compliance

My 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 ALIVE Inc.'s compliance based on my audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance with it exists. The risk of not

detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about ALIVE Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, I:

- 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 ALIVE Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of ALIVE Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of ALIVE Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

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 2022-001. 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.

Government Auditing Standards requires the auditor to perform limited procedures on ALIVE Inc.'s response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. ALIVE Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

Report on Internal Control Over Compliance

My 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 that might be material weaknesses or significant deficiencies in internal control over compliance 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 we consider to be material weaknesses and significant deficiencies.

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 2022-001 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.

My 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 that might be material weaknesses or significant deficiencies in internal control over compliance.

My 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.

Government Auditing Standards requires the auditor to perform limited procedures on ALIVE, Inc.'s response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. ALIVE Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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
November 9, 2022

ALIVE, Inc.
SCHEDULE OF INDEPENDENT AUDITOR'S FINDINGS AND QUESTIONED COSTS
For the year ending March 31, 2022

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 No

Significant deficiency(ies) identified not considered
To be material weaknesses?

Yes None reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

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

Unmodified

Internal control over major programs:

Material weakness(es) identified?

Yes No

Significant deficiency(ies) identified not considered
to be material weaknesses?

Yes None reported

Any audit findings disclosed that are required to be
Reported in accordance with Uniform Guidance
Section 200.516(a)?

Yes No

Identification of Major Programs:

CFDA Number(s)

Name of Federal Program or Cluster

16.575

U.S. Department of Justice
Victims of Crime Act

Dollar threshold used to distinguish between

Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes 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, 2022

Part III – Federal Award Findings and Questioned Costs

Finding 2022-001: 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 March 31, 2022

Criteria

ALIVE, Inc. is responsible for ensuring expenditures are not used multiple times for reimbursement from federally funded sources.

Condition

Subsequent to year end, it came to the attention of the auditor that ALIVE, Inc. applied for the Employee Retention Credit using expenditures that had been previously reimbursed by the federal grant for periods during the year ending March 31, 2022.

Cause

Failure to appropriately communicate with contracted individual who provides additional oversight, ALIVE, Inc. contracted with a third party who had a conflict of interest and inappropriately applied for the Employee Retention Credit.

Effect

Received funding of over \$550,000 for expenditures previously reimbursed by federal sources.

Repeat Finding

Not Applicable.

Questioned Costs

\$550,000

Recommendation

ALIVE, Inc. needs to refund funds from the Employee Retention Credit immediately. ALIVE, Inc. also needs to hire and retain an individual who has nonprofit and federal award experience. Management needs to communicate more effectively and follow the guidance of those who have appropriate nonprofit and federal award experience.

Response by Auditee

In direct response to this finding, the Employee Retention Credit funds that were erroneously applied for and awarded to ALIVE through ERC Specialists were returned to the IRS on October 20, 2022.

ALIVE, Inc.
SCHEDULE OF INDEPENDENT AUDITOR'S FINDINGS AND QUESTIONED COSTS
For the year ending March 31, 2022

Part III – Federal Award Findings and Questioned Costs (continued)

Corrective Action Plan

Contact Name: Maggie Menefee

Corrective Action: ALIVE is seeking an individual with appropriate nonprofit and federal award experience to provide additional oversight

Expected Completion Date: December 31, 2022.

ALIVE, Inc.
SCHEDULE OF INDEPENDENT AUDITOR'S FINDINGS AND QUESTIONED COSTS
For the year ending March 31, 2022

Part IV – Summary Schedule of Prior Audit Findings

Audit Finding Number: 2021-001

CFDA number and name: 16.575 Victims of Crime Act

Federal Agency: U.S. Department of Justice

Status: Partially corrected

Overbilling reported to Missouri Department of Social Services and corrected corrupted excel formula. The contracted CPA hired to provide additional oversight of federal funds and expenditures resigned subsequent to the period under audit and consequently there is no additional oversight of federal funds and expenditures.

The following actions are in the process of being implemented:

Seeking an individual with appropriate nonprofit and federal award experience to provide additional oversight.