



FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

June 30, 2022 and 2021

AMETHYST HOUSE, INC.

CONTENTS

	Page
FINANCIAL STATEMENTS	
Independent Auditor's Report	1-2
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to Financial Statements	8-15
SUPPLEMENTARY INFORMATION	
Independent Auditor's Report on Supplementary Information	16
Schedule of Grant Activity for Federal, State, and Local Government Awards	17

Independent Auditor's Report

Board of Directors
Amethyst House, Inc.

Opinion

We have audited the accompanying financial statements of Amethyst House, Inc., a not-for-profit organization, which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Amethyst House, Inc. as of June 30, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements 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 Amethyst House, Inc.'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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Amethyst House, Inc.'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 Amethyst House, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Katz, Sapper & Miller, LLP

Indianapolis, Indiana
May 23, 2023

AMETHYST HOUSE, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2022 and 2021

ASSETS

	2022	2021
CURRENT ASSETS		
Cash	\$ 45,255	\$ 116,736
Accounts receivable, net of allowance for doubtful accounts of \$500 in 2022 and 2021	168,567	141,433
Grants receivable	114,696	93,050
Investments	381,070	409,669
Total Current Assets	709,588	760,888
PROPERTY AND EQUIPMENT		
Land	10,000	10,000
Construction in progress	-	4,000
Buildings and improvements	862,116	816,593
Furniture and equipment	46,578	46,003
	918,694	876,596
Less: Accumulated depreciation	427,194	404,053
Total Property and Equipment	491,500	472,543
TOTAL ASSETS	\$ 1,201,088	\$ 1,233,431

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 14,430	\$ 17,926
Accrued expenses	70,242	52,130
Current maturities of long-term debt	5,917	8,861
Total Current Liabilities	90,589	78,917
LONG-TERM DEBT, less current maturities	2,353	185,566
Total Liabilities	92,942	264,483
NET ASSETS		
Without donor restrictions	1,083,146	895,819
Without donor restrictions - board designated	25,000	73,129
Total Net Assets	1,108,146	968,948
TOTAL LIABILITIES AND NET ASSETS	\$ 1,201,088	\$ 1,233,431

See accompanying notes.

AMETHYST HOUSE, INC.
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Federal, state and local grants	\$ 807,616	\$ -	\$ 807,616	\$ 694,711	\$ -	\$ 694,711
Donations	25,504	-	25,504	22,296	-	22,296
United Way	27,726	-	27,726	25,234	-	25,234
Program fees - Medicaid	484,088	-	484,088	455,407	-	455,407
Program fees - residential treatment facilities	20,597	-	20,597	22,120	-	22,120
Treatment fees	41,007	-	41,007	38,396	-	38,396
Fundraising and special events revenues	33,970	-	33,970	42,136	-	42,136
Investment income (loss)	(38,598)	-	(38,598)	22,061	-	22,061
Miscellaneous income	29,497	-	29,497	4,837	-	4,837
Loss on disposal of property	(12,958)	-	(12,958)	-	-	-
PPP loan forgiveness	170,538	-	170,538	140,895	-	140,895
Net assets released from restrictions	-	-	-	16,874	(16,874)	-
Total Revenue and Support	<u>1,588,987</u>	<u>-</u>	<u>1,588,987</u>	<u>1,484,967</u>	<u>(16,874)</u>	<u>1,468,093</u>
EXPENSES						
Program services	1,075,561	-	1,075,561	943,104	-	943,104
Management and general	308,669	-	308,669	372,929	-	372,929
Fundraising	65,559	-	65,559	56,739	-	56,739
Total Expenses	<u>1,449,789</u>	<u>-</u>	<u>1,449,789</u>	<u>1,372,772</u>	<u>-</u>	<u>1,372,772</u>
INCREASE IN NET ASSETS	139,198	-	139,198	112,195	(16,874)	95,321
NET ASSETS						
Beginning of Year	<u>968,948</u>	<u>-</u>	<u>968,948</u>	<u>856,753</u>	<u>16,874</u>	<u>873,627</u>
End of Year	<u>\$ 1,108,146</u>	<u>\$ -</u>	<u>\$1,108,146</u>	<u>\$ 968,948</u>	<u>\$ -</u>	<u>\$ 968,948</u>

See accompanying notes.

AMETHYST HOUSE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2022

	Program Services					Management and General	Fundraising	Total
	Men's House	Women's House	Outpatient	Other	Total			
Salaries	\$ 231,655	\$ 220,000	\$ 166,281	\$ 485	\$ 618,421	\$ 190,266	\$ 41,460	\$ 850,147
Payroll taxes	19,287	18,251	12,525	41	50,104	10,314	2,871	63,289
Health insurance	11,539	5,509	6,943	-	23,991	17,556	4,348	45,895
Insurance	14,247	12,313	8,973	-	35,533	6,101	-	41,634
Dues and subscription	5,381	5,000	6,549	-	16,930	2,418	2,400	21,748
Telephone	6,373	6,039	3,995	-	16,407	1,559	520	18,486
Occupancy	-	-	25,500	-	25,500	19,125	6,375	51,000
Marketing and advertising	12	1,436	1,306	-	2,754	6,752	59	9,565
Conferences and training	2,444	2,204	502	-	5,150	1,492	-	6,642
Professional services	1,920	1,803	1,755	-	5,478	24,982	-	30,460
Repairs and maintenance	23,366	14,614	3,198	-	41,178	2,104	-	43,282
Program costs and supplies	49,174	40,733	6,320	-	96,227	6,952	16	103,195
Office supplies and postage	6,489	4,552	3,693	-	14,734	4,076	1,359	20,169
Depreciation	6,374	4,367	3,541	-	14,282	8,340	1,181	23,803
Interest	-	186	-	-	186	-	-	186
Subcontract	9,189	8,996	340	55,200	73,725	1,176	-	74,901
Fundraising	-	-	-	-	-	-	4,594	4,594
Equipment rental	2,188	2,004	1,715	-	5,907	995	-	6,902
Utilities	12,948	11,978	4,128	-	29,054	1,127	376	30,557
Miscellaneous	-	-	-	-	-	3,334	-	3,334
TOTAL EXPENSES	\$ 402,586	\$ 359,985	\$ 257,264	\$ 55,726	\$ 1,075,561	\$ 308,669	\$ 65,559	\$ 1,449,789

See accompanying notes.

AMETHYST HOUSE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2021

	Program Services					Management and General	Fundraising	Total
	Men's House	Women's House	Outpatient	Other	Total			
Salaries	\$ 197,133	\$ 186,797	\$ 141,689	\$ 203	\$ 525,822	\$ 229,434	\$ 34,616	\$ 789,872
Payroll taxes	15,304	14,690	10,872	18	40,884	15,972	2,401	59,257
Health insurance	21,558	7,687	11,506	-	40,751	24,728	3,675	69,154
Insurance	8,664	8,823	5,399	-	22,886	5,688	-	28,574
Dues and subscription	5,470	4,324	4,468	-	14,262	4,007	3,063	21,332
Telephone	3,932	4,297	2,519	-	10,748	2,667	734	14,149
Occupancy	-	-	24,600	-	24,600	18,450	6,150	49,200
Marketing and advertising	1,668	2,265	3,184	-	7,117	5,112	-	12,229
Conferences and training	1,858	1,342	161	65	3,426	4,704	-	8,130
Professional services	-	-	-	-	-	22,550	-	22,550
Repairs and maintenance	24,574	11,150	2,257	-	37,981	5,443	-	43,424
Program costs and supplies	30,016	26,390	3,557	-	59,963	12,684	-	72,647
Office supplies and postage	3,389	2,895	3,104	-	9,388	5,047	1,485	15,920
Depreciation	6,028	4,688	3,349	-	14,065	8,414	963	23,442
Interest	-	2,639	-	-	2,639	1,791	-	4,430
Subcontract	22,862	22,126	-	55,200	100,188	1,171	-	101,359
Fundraising	-	-	-	-	-	-	2,703	2,703
Equipment rental	3,040	1,599	1,522	-	6,161	2,211	-	8,372
Utilities	9,819	9,972	2,432	-	22,223	2,856	949	26,028
TOTAL EXPENSES	\$ 355,315	\$ 311,684	\$ 220,619	\$ 55,486	\$ 943,104	\$ 372,929	\$ 56,739	\$1,372,772

See accompanying notes.

AMETHYST HOUSE, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2022 and 2021

	2022	2021
OPERATING ACTIVITIES		
Increase in net assets	\$ 139,198	\$ 95,321
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	23,803	23,442
Loss on disposal of property	12,958	-
Realized and unrealized (gains) losses on investments	39,125	(18,648)
PPP loan forgiveness	(170,538)	(140,895)
(Increase) in certain current assets:		
Accounts and grants receivable	(48,780)	(65,016)
Increase (decrease) in certain current liabilities:		
Accounts payable	(3,496)	305
Accrued expenses	18,112	(5,954)
Net Cash Provided (Used) by Operating Activities	<u>10,382</u>	<u>(111,445)</u>
INVESTING ACTIVITIES		
Purchases of investments	(29,923)	(137,225)
Proceeds from sales of investments	60,526	50,155
Purchases of property and equipment	(55,718)	(8,076)
Net Cash (Used) by Investing Activities	<u>(25,115)</u>	<u>(95,146)</u>
FINANCING ACTIVITIES		
Principal payments on long-term debt	(15,619)	(65,698)
Proceeds from PPP loans	-	170,538
Net Cash Provided (Used) by Financing Activities	<u>(15,619)</u>	<u>104,840</u>
NET (DECREASE) IN CASH AND EQUIVALENTS	(30,352)	(101,751)
CASH AND EQUIVALENTS		
Beginning of Year	<u>139,913</u>	<u>241,664</u>
End of Year	<u>\$ 109,561</u>	<u>\$ 139,913</u>
CASH AND EQUIVALENTS		
Cash	\$ 45,255	\$ 116,736
Cash equivalents included in investments	<u>64,306</u>	<u>23,177</u>
TOTAL CASH AND EQUIVALENTS	<u>\$ 109,561</u>	<u>\$ 139,913</u>
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	\$ 186	\$ 4,430
Noncash financing activities:		
PPP loan forgiveness	170,538	140,895

See accompanying notes.

AMETHYST HOUSE, INC.

NOTES TO FINANCIAL STATEMENTS June 30, 2022 and 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: Amethyst House, Inc. (the Organization) is an Indiana not-for-profit organization that provides outpatient treatment services for chronically addicted persons in Monroe County, Indiana and in Vanderburgh County, Indiana, as well as residential treatment facility programs in Monroe County, Indiana. The Organization is supported by the Division of Mental Health and Addiction, Medicaid, client fees, other grants, and donations.

Government funding provided to the Organization primarily comes from the State of Indiana Family and Social Services Administration Division of Mental Health, some of which is federal funding from the U.S. Department of Health and Human Services which passed through the State agency and comes from Medicaid. A portion of the funding also comes directly from Medicaid as well as other governmental sources.

Basis of Presentation: The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- **Net Assets Without Donor Restrictions** are not subject to donor-imposed restrictions and may be used at the discretion of the Organization's management and Board of Directors. The Organization has board designated net assets of \$25,000 and \$73,129 at June 30, 2022 and 2021, respectively, for a capital reserve.
- **Net Assets With Donor Restrictions** are subject to stipulations imposed by donors. All of the Organization's donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time.

Donor-restricted contributions are reported as increases in net assets without donor restrictions if the restrictions expire in the same year in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, and when a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities. Restrictions expire when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. There are no net assets with donor restrictions at June 30, 2022 and 2021.

Estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses. Actual results could differ from those estimates.

Cash and Equivalents consist of cash in demand deposit accounts and highly liquid investments purchased with an original maturity of three months or less. The Organization maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limits. The Organization has not experienced any losses from its bank accounts.

Accounts Receivable and Credit Policies: Accounts receivable represent uncollateralized obligations due to the Organization from clients for treatment services and residency in the halfway and three-quarter way houses. The balances are due and payable within 30 days of the billing date. Accounts receivables are stated at the amount billed to the client, less an allowance for uncollectible accounts.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Organization does not charge late fees or interest due to the nature of its clientele and treatment services. However, those with overdue balances receive warnings, and when balances reach \$200 for outpatient session fees and \$800 for residency fees, services are subject to stoppage. A client with a balance due must pay the balance or make arrangements acceptable to management prior to treatment resuming.

The Organization establishes an allowance for uncollectible accounts receivable based on historical collection experience, economic conditions and management's evaluation of collectability of outstanding balances. Management periodically reviews the status of delinquent accounts and writes off uncollectible accounts after reasonable collection efforts have been exhausted.

Grants Receivable: The Organization receives its grant support through periodic claims filed with the respective funding sources, not to exceed a limit specified in the funding agreement. Grants receivable are expected to be collected within one year and are recorded at net realizable value. Conditional grants are recognized when the conditions on which they depend are substantially met.

Investment Valuation and Income Recognition: Investments are initially recorded at cost, if purchased, or at fair value, if donated. Thereafter, investments are stated at fair value. See Note 3 for discussion of fair value measurements.

Investment return reported in the statements of activities consists of interest and dividend income and realized and unrealized capital gains and losses, net of external and direct internal investment expenses. Interest income is recorded on the accrual basis, and dividends are recorded on the ex-dividend date. Purchases and sales of investments are recorded on the trade date. Gains and losses on the sale of investments are determined using the specific-identification method.

Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect the amounts reported in the financial statements.

Property and Equipment: Property and equipment are stated at cost for purchased assets, or at fair value at the date of donation for donated assets, less accumulated depreciation. Depreciation of property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, which range up to 40 years for buildings and improvements and from 3 to 10 years for furniture and equipment. The Organization's policy is to capitalize and depreciate asset acquisitions of \$500 and greater.

The Organization's property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of the carrying amount to future net undiscounted cash flows expected to be generated by the related asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount exceeds the fair market value of the assets. No adjustments to the carrying amount of property and equipment were required in fiscal years 2022 and 2021.

Contributions and Grants are recognized as support when they are received or unconditionally promised. Grants and contracts are classified as contributions in instances in which a resource provider is not itself receiving commensurate value for the resources provided. Contributions are considered conditional when the agreement with the resource provider includes a barrier that must be overcome and either a right of return of assets transferred or right of release of a promisor's obligation to transfer assets. Conditional contributions are not recognized as revenue until the conditions are substantially met.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Organization receives a significant amount of financial assistance from government grants and contracts. Grants and contracts normally provide for the recovery of direct and indirect costs. Entitlement to the recovery of the direct and related indirect costs is conditional upon compliance with the terms and conditions of the grant agreements and with applicable regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance reviews and audits by the grantors. Management believes an adverse material outcome from those reviews and audits is unlikely.

Program Fees and Treatment Fees are recognized as revenue as the services are performed, which is an exchange transaction and satisfied at a point in time. See Note 7 for revenue recognition related to program fees from Medicaid.

Fundraising and Special Event Revenue: Fundraising contributions are recognized as support when they are received or unconditionally promised. Special events revenue, including related sponsorship revenue and other contributions, is recognized upon occurrence of the event. Revenue and support received for events occurring subsequent to the statement of financial position date is reflected as deferred revenue.

Functional Allocation of Expenses: The costs of providing program and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Directly identifiable expenses are charged to the specific program or supporting service benefited. Expenses related to more than one function are allocated among program and support services based on time spent by Organization staff, then number of patients served under each program (including, personnel expenses, telephone, office expenses, and utilities expense) and an allocation of leased space used by each function (for occupancy expenses). Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Advertising: The Organization expenses all advertising costs as they are incurred.

Income Taxes: The Organization is exempt from taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision or liability for income taxes has been included in the financial statements.

In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income tax for the years ended June 30, 2022 and 2021.

The Organization files U.S. federal and state of Indiana information tax returns. Generally, the Organization is no longer subject to U.S. federal and state income tax examinations by tax authorities for fiscal years before 2019. Management believes that the Organization's income tax filing positions will be sustained on audit and does not anticipate any adjustments that will result in a material change.

Subsequent Events: The Organization has evaluated the financial statements for subsequent events occurring through May 23, 2023, the date the financial statements were available to be issued.

NOTE 2 - AVAILABLE RESOURCES AND LIQUIDITY

The Organization's financial assets available for general expenditure within one year of June 30, 2022 and 2021 were as follows:

	2022	2021
Cash	\$ 45,255	\$116,736
Accounts receivable, net	168,567	141,433
Grants receivable	114,696	93,050
Investments	<u>381,070</u>	<u>409,669</u>
Total Financial Assets	709,588	760,888
Board-designations:		
Capital reserve	<u>(25,000)</u>	<u>(73,129)</u>
Total Financial Assets Available Within One Year	<u>\$684,588</u>	<u>\$687,759</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As described in Note 6, the Organization also has a committed line of credit in the amount of \$200,000, which it could draw upon in the event of an unanticipated liquidity need. For purposes of analyzing resources available to meet general expenditures over a twelve-month period, the Organization considers all expenditures related to its ongoing activities of its program services as well as the conduct of services undertaken to support those activities to be general expenditures.

The Organization also has board-designated net assets that are without donor restriction that are to be used for a capital reserve. The board-designated net assets could be made available if necessary.

NOTE 3 - FAIR VALUE MEASUREMENTS

The Organization has categorized its assets and liabilities that are measured at fair value into a three-level fair value hierarchy. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology may include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. In situations where there is little or no market activity for the asset or liability, the Organization makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

Following is a description of the valuation methodologies used by the Organization for assets and liabilities that are measured at fair value on a recurring basis. There have been no changes in the methodologies used at June 30, 2022 and 2021.

Money Market Fund Shares: Valued at the daily closing price as reported by the funds. These funds are required to publish their daily net asset value (NAV) and to transact at that price. These funds are deemed to be actively traded.

Exchange-traded Funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Fixed Income Securities and Municipal Bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, those corporate bonds are valued under a discounted cash flow approach that maximizes observable inputs, such as current yields or similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

U.S. Government Securities: Valued using pricing models maximizing the use of observable inputs for similar securities.

Certificates of Deposit: Valued by discounting cash flows based on interest rates of similar instruments with similar credit ratings and duration.

Following is a summary, by major nature and risks class within each level of the fair value hierarchy, of the Organization's assets and liabilities that are measured at fair value on a recurring basis as of June 30, 2022 and 2021:

2022	Level 1	Level 2	Total
Assets			
Investments:			
Money market fund shares	\$ 64,306		\$ 64,306
Exchange-traded funds:			
Corporate bond	70,818		70,818
Foreign large blend	8,190		8,190
Large blend	53,947		53,947
Mid-cap blend	9,116		9,117
Small blend	5,420		5,420
U.S. government securities		\$ 19,150	19,150
Municipal bonds		45,952	45,952
Fixed income securities – AAA		64,963	64,963
Certificates of deposit		39,208	39,208
	<hr/>	<hr/>	<hr/>
Total Assets at Fair Value	<u>\$211,797</u>	<u>\$169,273</u>	<u>\$381,070</u>

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

2021	Level 1	Level 2	Total
Assets			
Investments:			
Money market fund shares	\$ 23,177		\$ 23,177
Exchange-traded funds:			
Corporate bond	84,137		84,137
Foreign large blend	10,467		10,467
Large blend	61,212		61,213
Mid-cap blend	11,173		11,173
Small blend	7,340		7,340
U.S. government securities		\$ 20,841	20,841
Municipal bonds		51,151	51,151
Fixed income securities – AAA		79,785	79,785
Certificates of deposit		<u>60,386</u>	<u>60,386</u>
 Total Assets at Fair Value	 <u>\$197,506</u>	 <u>\$212,163</u>	 <u>\$409,669</u>

NOTE 4 - INVESTMENTS

A comparison of the cost and fair value of investments as of June 30, 2022 and 2021, is as follows:

2022	Cost	Fair Value
Money market fund shares	\$ 64,306	\$ 64,306
Exchange-traded funds	153,600	147,491
U.S. government securities	20,065	19,150
Municipal bonds	50,796	45,952
Fixed income securities	69,921	64,963
Certificates of deposit	<u>40,000</u>	<u>39,208</u>
 Total Investments	 <u>\$398,688</u>	 <u>\$381,070</u>
 2021		
Money market fund shares	\$ 23,177	\$ 23,177
Exchange-traded funds	153,600	174,329
U.S. government securities	20,087	20,841
Municipal bonds	50,918	51,151
Fixed income securities	79,952	79,785
Certificates of deposit	<u>60,000</u>	<u>60,386</u>
 Total Investments	 <u>\$387,734</u>	 <u>\$409,669</u>

NOTE 5 - LEASE COMMITMENTS

The Organization leases office space and equipment under long-term noncancellable operating leases expiring through June 2028. Future minimum rental payments as of June 30, 2022, are as follows:

Payable In Fiscal Year Ending June 30,	Rental Payments
2023	\$ 60,267
2024	58,622
2025	57,525
2026	56,467
2027	56,750
Thereafter	<u>54,000</u>
	<u>\$343,631</u>

Total rent expense was \$57,902 and \$57,572 for the years ended June 30, 2022 and 2021, respectively.

NOTE 6 - DEBT AND CREDIT ARRANGEMENTS

Long-term debt consisted of the following at June 30, 2022 and 2021:

	2022	2021
Mortgage payable to German American Bancorp in monthly installments of \$835, including interest computed at prime, adjusted every three years, (5.25% at June 30, 2022), through October 11, 2026. The Organization has made payments ahead of schedule. Secured by real estate.	\$8,270	\$ 23,889
Paycheck Protection Program loans (See Note A below).	<u>-</u>	<u>170,538</u>
	8,270	194,427
Less: Current maturities	<u>5,917</u>	<u>8,861</u>
Total Long-term Debt, net	<u>\$2,353</u>	<u>\$185,566</u>

- A) On February 24, 2021, the Organization received loan proceeds of \$170,538 under the Paycheck Protection Program (PPP) established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), as the program was expanded and amended under the Consolidated Appropriations Act, 2021. The loan bears interest at 1.0% and matures in February 2026. The Organization recognized a gain on loan forgiveness as other income upon legal release of the obligation by the bank on August 13, 2021.

The Organization has classified the loans as noncurrent liabilities based on the expectation that no payments would be required by the Organization for the loans.

NOTE 6 - DEBT AND CREDIT ARRANGEMENTS (CONTINUED)

At June 30, 2022, the aggregate maturities for the mortgage payable were as follows:

Payable In Fiscal Year Ending June 30,	Principal
2023	\$5,917
2024	2,353

The Organization has a line of credit agreement that provides for short-term borrowings up to a maximum amount of \$200,000. Interest on the line of credit borrowings is payable monthly and is computed at the Bank's prime rate plus 1.00%, but not less than 5.25% (5.25% at June 30, 2022). The line of credit matures in February 2024 and is secured by real estate. The borrowings outstanding on the line of credit were \$0 at June 30, 2022 and 2021.

NOTE 7 - PROGRAM FEES REVENUE FROM MEDICAID

Program fees revenue from Medicaid are recorded at established billing rates or at net realizable amounts from residents, third-party payers and others when services are rendered.

The Organization is a provider of services under the Indiana Medicaid Program. Accordingly, the Organization is entitled to reimbursement under the program at rates which differ from private pay rates. Differences between standard charges and payments received from the program have been deducted from resident services revenue in the statements of activities. Revenue received from the program is subject to audit and retroactive adjustment. The Organization received 30% and 31% of its total revenue and support from Medicaid in fiscal years 2022 and 2021, respectively.

Laws and regulations governing the Indiana Medicaid program are complex and subject to interpretation. The Organization believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the programs.

NOTE 8 - CONCENTRATIONS

In addition to the concentration in funding related to Medicaid described in Note 7, the Organization received 51% in fiscal year 2022 and 47% in fiscal year 2021 of its total revenue and support from federal, state, and local grants. The Organization was dependent on federal, state, and local grant funding to continue its operations in prior years.

NOTE 9 - ASSETS HELD AT COMMUNITY FOUNDATION OF BLOOMINGTON AND MONROE COUNTY

The Community Foundation of Bloomington and Monroe County (Community Foundation) established an endowment to benefit the Organization as part of its Matchstick program. The Matchstick program allows for donors to contribute money towards the Amethyst House Endowment, and for every two dollars raised a dollar is matched by the Community Foundation. Community Foundation has variance power over the endowment. At June 30, 2022 and 2021, the funds approximated \$31,583 and \$37,782, respectively, based on information available from the Community Foundation, and are not included in the assets of the Organization.

SUPPLEMENTARY INFORMATION

*Independent Auditor's Report
on Supplementary Information*

Board of Directors
Amethyst House, Inc.

We have audited the financial statements of Amethyst House, Inc. as of and for the year ended June 30, 2022, and our report thereon dated May 23, 2023, which contained an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of grant and contract activity for federal, state, and local government awards is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Katz, Sapper & Miller, LLP

Indianapolis, Indiana
May 23, 2023

AMETHYST HOUSE, INC.

**SCHEDULE OF GRANT AND CONTRACT ACTIVITY FOR FEDERAL, STATE, AND LOCAL GOVERNMENT AWARDS
Year Ended June 30, 2022**

	Type of Funding	Federal CFDA Number	Pass-through Entity Identifying Number	Receipts and Expenditures
FEDERAL CONTRACTS				
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through the Indiana Family and Social Services Administration, Division of Mental Health and Addiction: Block Grants for Prevention and Treatment of Substance Abuse	Fee for Service	93.959	A55-3-53-13-HO-2739	\$ 312,948
	Fee for Service	93.959	3B08T1010019-19S1	375,729
Passed through Intecare: Mental Health Funds Recovery Program	Fee for Service			29,312
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through the United Way of Monroe County: Emergency Food and Shelter National Board Program	Fee for Service	97.024	None Assigned	<u>6,250</u>
TOTAL EXPENDITURES OF FEDERAL CONTRACTS				<u>724,239</u>
NONFEDERAL AWARDS				
Monroe County Commissioners: CARES Grant	State and Local			9,234
City of Bloomington Housing Authority: Jack Hopkins Social Services Program	State and Local			21,800
City of Bloomington	State and Local			10,000
Bloomington Township Trustee	State and Local			1,000
Perry Township: Leisure Enhancement Grant	State and Local			4,050
Sophia Travis Community Grant	State and Local			3,050
Indiana Family and Social Services Administration, Division of Mental Health and Addiction: Block Grants for Prevention and Treatment of Substance Abuse	State and Local			29,312
Recovery Works	State and Local			<u>4,931</u>
TOTAL EXPENDITURES OF NONFEDERAL AWARDS				<u>83,377</u>
TOTAL EXPENDITURES OF FEDERAL, STATE, AND LOCAL GOVERNMENT AWARDS				<u><u>\$ 807,616</u></u>