

#9

COMPLETE

Collector: Copy of Web Link 1 (Web Link)
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Page 1: Qualifications, Experience, & Capacity

Q1 **Yes**

Is organization staff familiar with the HOME-ARP Request for Qualifications Guidebook?

Q2

Contact Person Information:

Full Name	David Armstrong
Position Title	CEO
Email	darmstrong@altinc.net
Phone Number(s)	406-56-3501

Q3

Organization Information:

Organization Name	Alternatives, Inc
Street Address	2101 3rd Ave North
City	Billings
State	MT
ZIP + 4	59101
Email Address	darmstrong@altinc.net
Phone & FAX Numbers	406-256-3501

Q4

Organization website: Please enter complete URL.

www.altinc.net

Page 2: Organization Type

Q5

Nonprofit - 501(c)3 Charitable Nonprofit Corporation

Organization Type: Please select one of the following.

Page 3: Nonprofit Documentation

Q6

IRS Determination Letter Acceptable formats PDF, JPG, JPEG

Proof%20of%20Non-Profit%20Status.pdf (167.3KB)

Q7

Current Bylaws Acceptable formats PDF, JPG, JPEG

A5%20By-laws%20of%20Alternatives%20Inc%20(2023%20EEN%20Redlined%20Rev).pdf (160.4KB)

Q8

Articles of Incorporation Acceptable formats PDF, JPG, JPEG

ALT-A2%20Articles%20of%20Incorporation-Original%201978.pdf (307.1KB)

Q9

Governing body list: A list of the current Board of Directors or other governing body of the organization. The list must include the name, telephone number, address, occupation or affiliation of each member, and must identify the principal officers of the governing body. (Acceptable formats PDF, DOC, DOCX, JPG, JPEG)

Board%20of%20Directors%20List%20February%202023.docx (46KB)

Page 4: Organizational Details / Financial Information

Q10

Organizational chart: The chart must illustrate the organization's administrative framework and staff positions. Acceptable formats PDF, DOC, DOCX, JPG, JPEG

2023%20Agency%20Organizational%20Chart%20(1).pdf (91.3KB)

Q11

Most recent organizational audit or IRS Form 990. Acceptable formats PDF, JPG, JPEG

Audit%20FS%202022%2006%2030%20%26%202021%2006%2030.pdf (806.5KB)

Q12

Treasurer / Financial Report through December 31. Acceptable formats PDF, JPG, JPEG

[August%20Financial%20Report.pdf \(102.8KB\)](#)

Q13

Unique Entity Identification (UEI) Number: A UEI is a number issued by the federal government's System for Award Management (SAM) to identify businesses and other entities that do business with the federal government. The UEI replaces the DUNS number. If your entity is already registered in SAM.gov, it has already been assigned a UEI number. Simply log into SAM.gov to access it. Entities intending to bid on contracts or grants directly from the federal government should visit SAM.gov and choose "Register Entity" to receive a UEI. Those who would like a UEI for sub-award reporting should choose "Get Unique Entity ID." There is no cost to register for a UEI and it can usually be created within one business day. FREE local assistance is available at the Montana Procurement Technical Assistance Program, 201 N Broadway, Billings, MT 59101 / 406.869.8410 / langman@bigskyeda.org. Enter your UEI number below.

NQMNJS6VFB54

Q14

System for Award Management (SAM) Registration: SAM is an official website of the U.S. federal government. All entities that receive payment with federal funds from Community Development Division programs must be registered in SAM. There is no cost to register; Register Online. FREE local assistance is available at the Montana Procurement Technical Assistance Program, 201 N Broadway, Billings, MT 59101 / 406.869.8410 / langman@bigskyeda.org.

Please click or enter the organization's SAM registration date:

10/14/2023

Q15

Commercial and Government Entity (CAGE) Code. A CAGE code is a unique identifier assigned to government agency suppliers, to government agencies themselves, and to organizations funded by federal grants.

CAGE Code:

431f3

Q16

Authorized Responsible Party Signature: This is the person with organizational legal authority to bind the organization in grant administration matters.

Full Name:

David O Armstrong

Position / Job Title:

CEO

Phone Number

406-256-3501

Email Address:

darmstrong@altinc.net

Q17

Describe the length of time the organization has been in operation and the organization's purpose. (500 characters maximum)

Alternatives has provided residential re-entry services for over 42 years. The purpose of Alternatives is to promote public safety by challenging offenders to become responsible, productive, tax-paying citizens through firm, fair, consistent, supervision, treatment & education. Our program offers a broad range of alternatives to incarceration that reintroduce them back into society or keep offenders out of jails & prisons.

Q18

Describe the types of supportive services currently being provided by the organization. (2,000 characters maximum)

Alternatives, Inc. specializing in residential re-entry services by addressing criminal behavior and utilizing evidence-based programming to address individual client needs. Services include substance use disorder and mental health treatment, case management, care coordination, Enhanced Transition Supervision Services (ETSS), educational assistance including Hi-Set and Voc Rehab, job skill training, budgeting, cognitive behavioral therapy, re-entry and housing placement, misdemeanor probation, electronic monitoring and drug testing, application assistance, transportation support through the use of bus passes and gas cards, personal supportive items such as cell phones, phone cards, clothing, basic household and hygiene items and many other supportive services. Alternatives has been providing these services since 1980 and offers residential to community educational level supports for over 62 individual programs throughout the agency. The majority of clients are justice involved and referred through the Court Systems in our area. Alternatives provides these services to violent and sex offenders, among others. Alternatives also currently participates in the current Jail Based Program Pilot (JBPP). As part of this program, a team comprised of 6 different organizations work to find rapid housing and treatment placements for low to medium risk offenders who can be released from the facility with additional support and supervision. This evidence-based approach to provide comprehensive support for what clients need to successfully rejoin society includes placement in housing and wrap around services. Services begin in the jail and continue once in the community.

Q19

How many people has the organization served over the past 12 months? (whole numbers only; no ranges, no percentages)

4250

Q20

What percentage of those served meet criteria for at least one of the qualifying populations as defined in the HOME-ARP Notice: CPD-21-10? (decimal format to show the percentage [e.g., .25 for 25%; .5 for 50%; etc.])

0.85

Q21

Describe the organization's experience and compliance with federally funded programs. (1,000 characters maximum)

Alternatives is currently and has been federally funded for programs since 1980 for residential re-entry and substance use and mental health treatment services. As a result, the agency is monitored on an annual basis by the Federal Bureau of Prisons and United States Probation Office, and must comply with all federal CFR, ARMS, and financial management practices. Alternatives, Inc. is a well-established non-profit with well-qualified staff for over 43 years. Additionally, Alternatives recently completed two separate subaward grant programs for the City of Billings under CBDG with successful program implementation and compliance with reporting and financial mandates.

Q22

Describe the agency's policy for maintaining confidentiality of individuals and families served. (1,000 characters maximum)

Maintaining confidentiality of client information is one of the cornerstones of Alternatives, Inc. Staff are required to sign the Statement of Confidentiality of Client Information (ALT29) form when hired. Failure to comply with confidentiality standards therein will render an employee subject to disciplinary action up to termination of employment, depending on the seriousness of the violation. In some cases, a client whose right to privacy has been violated may have a legal remedy and may be awarded monetary damages. Public information found on websites such as Correctional Offender Network Website (CONWEB) or the Detention Center Website can be released, recognizes the need for outside agencies or individuals to obtain client information at times. Ensuring that it is correctly released is of paramount importance. However, no information, other than that, verbal or written, may be released from a file without a release of information form.

Q23

Describe the organization's policies, procedures, and experience in each of the following three areas: (1,500 character maximum for each)

Financial Management & Accountability

Alternatives employs over 170 staff & is routinely monitored by the Federal Bureau of Prisons, the Montana Department of Corrections, & the Department of Health and Human Services Licensure Department, & consequently adheres to an extensive set of overlapping standards. In addition to the ongoing monitoring/audits, Alternatives adheres to policies & procedures known collectively as "Standard Operating Procedures of Alternatives, Inc" (SOPs) that governs the practices of Alternatives & its employees. 12 of these policies dictate the financial management, procurement, purchasing, & accountability. On a random basis, but not fewer than twice during each fiscal year, the Finance Committee shall directly review the general ledger & disbursement records for all agency accounts. The person responsible for conducting such a review shall be determined by the Chair of the Finance Committee & the results of the review shall be presented to the Finance Committee & then to the Board of Directors. The Director of Finance is responsible for the assignment of duties to accounting personnel. Given the limited size of the accounting department, it is acknowledged that complete separation of duties in support of internal control is not possible. However, the Director is responsible for assuring that, to the greatest extent possible, one person does not collect, receipt, prepare a deposit, & account for the specific funds coming into the agency.

Personnel Management

Personnel are managed by a human resources department under the supervision of the Director of HR and over 30 policies including an Employee Handbook. Each staff member has a direct Supervisor who managed day-to-day activities and progress. Staff are required to complete a 40-hour on-boarding process that includes mandatory trainings and orientation to the policies and practices of Alternatives. There is a personnel committee who manages overall processes and compliance with federal regulations. The Personnel Committee is inclusive of community members familiar with general EEO and HR practices and reports monthly to the overall Board of Directors.

Procurement & Purchasing

All purchases must be approved by a department supervisor and the CEO (or designee in his absence). These must be completed on a purchase order form. Any purchase over \$50 from a vendor not on the approved vendor list, must be approved prior to ordering. Any purchase over \$10,000 must be approved by the board of directors at the recommendation of the CEO and Finance Committee. Any items required by contract/grant funds or over \$1,000 in cost must be sourced through a bid process. Bids are submitted to the finance committee and a recommendation is made to the full board of directors who then selects the final contract.

Recordkeeping & Reporting

Alternatives, Inc. has an orderly and timely system for handling, storing, and disposing of offender/client records. Access to offender (residential) and client (non-residential) records is limited to supervisors, case managers, Jail Alternatives managers, and administrative support (AS) staff. The AS staff are in charge of residential and non-residential client records from implementation through shredding. Chemical dependency-related and assessment records are handled only by Designated Staff. All records are shredded after the timeline for storage has expired based on individual contract or policy. In addition to hard file records, Alternatives, Inc. offenders and clients also have electronic records in the Alternatives, Inc. Total Offender Management Database (TOM). Reporting for grant specific items will be identified at the onset of the program to identify the type of record information and frequency of reporting. All information for client reporting will be collated and submitted to the Contracted Director of Development for review and submission. All PII and HIPPA information will be secured as necessary.

Q24

If the organization currently manages grant funding, describe the method for tracking staff time on grant-specific tasks. (500 characters maximum)

We have been working on local, federal, & state grants for nearly the entirety of its existence. The Director of Development (DoD) manages the specific requirements. Staff time is tracked in an HR database. Individual daily staff journals calculate hours & tasks. These are audited by the DoD before submission to the agency Controller who reviews these prior to any reimbursement requests. Both the DoD & the Controller report to the CEO & provide regular reports of grants to the Board.

Q25

Describe the standards the organization uses for code-of-conduct covering conflicts of interest and governing the actions of its officers, Board of Directors, and employees. (2,000 characters maximum)

Alternatives, Inc. has several policies covering conflict of interest and code of conducts for both employees and board members. Section 1.8 of the By-Laws of Alternatives indicates All Directors shall disclose to the Board any possible conflict of interest at the earliest practicable time. Upon such disclosure, such Director shall abstain from speaking and voting on any matter under consideration at a Board or committee meeting, in which such Director has a conflict of interest. The minutes of such meeting shall reflect that a disclosure was made and that the Director having a conflict of interest abstained from speaking and voting. Any Director who is uncertain shall disclose the possible conflict of interest and request the Board or committee to determine whether a conflict of interest exists, and the Board or committee shall resolve the questions by a majority vote. A transaction in which a Director has a conflict of interest may be approved: (a) in advance by the vote of the Board of Directors or a committee of the Board if: (i) the material facts of the transaction and the Director's interest are disclosed or known to the Board or committee of the Board and; (ii) the Directors approving the transaction in good faith reasonably believe that the transaction is fair to the corporation; or (b) after it is consummated by obtaining approval of: (i) the attorney general; or (ii) a state district court in an action in which the attorney general is joined as a party. A conflict-of-interest transaction is authorized, approved, or ratified, if it receives the affirmative vote of two-thirds of the quorum present who have no direct or indirect interest in the transaction. Each Board member also completes an annual Conflict of Interest designation yearly. Staff also abide by a Federal Standards of Conduct and Fraternization policy which is signed upon hire and reviewed and acknowledged each year for annual training.

Q26**Yes**

Does the organization carry fidelity bond coverage for responsible officials?

Page 6: Certifications / Authorization / Signature

Q27

CERTIFICATIONS: Please certify compliance with each of the following by checking the box next to each:

Funded activities must exclusively benefit individuals and families in qualifying populations in the City of Billings.

Subrecipients must prevent the duplication of funds to prevent fraud, waste, and abuse by verifying a qualifying household is not already receiving the same eligible supportive service or has been approved to receive the same service through another program or service provider. Subrecipients must immediately repay the City of Billings for assistance that is determined to be duplicative.

Subrecipients must maintain procedures to prohibit employees, board members, and officers from using their positions for a purpose that has the appearance of being motivated by a desire for private gain for themselves or others.

Financial records, supporting documentation, statistical records, and all other records pertinent to funding shall be retained for a period of five years following completion of project/activity.

Subrecipients shall comply with the Fair Housing Act, HUD regulations, and the Montana Human Rights Act prohibiting employment, contracting, and beneficiary discrimination based on: Disability - includes people with HIV / AIDS and people in recovery from alcohol / drugs; Race / Color; Religion; Religious Belief; Sex - includes protection against sexual harassment; Familial Status - includes the presence of children under the age of 18 and/or pregnancy; National Origin; Sexual Orientation; Gender Identity; Marital Status; Creed; and Age.

Subrecipients hiring personnel to carry out HOME-ARP activities, follow all Equal Employment Opportunity (EEO) policies. These may include the documentation of advertising methodology, demographics for interviewees, and reasons for the hiring decision; to the greatest extent feasible, direct all employment, contract, and training opportunities to low- and very-low-income persons and businesses, including seasonal and temporary employment opportunities; and recruit potential employees residing in lower-income areas and those residing in public or federally assisted housing.

Required documentation includes: a summary of the

number of applicants for each position; the number that are minorities, women, and/or disabled; reasons for the hiring decision; personnel policies; and employee training, promotion, and salary levels.

Subrecipients must not contract with, hire, or employ an individual in the United States knowing that the contractor or individual is not authorized with respect to such employment.

Subrecipients are required to comply with the policies, guidelines, and requirements of the Uniform Administration, Cost Principles that require costs be necessary and reasonable, and Audit requirements set forth in 2 CFR Part 200.

Funds, materials, property, or services, provided directly or indirectly through HOME-ARP, cannot be used for partisan political activity, or to further the election or defeat of any candidate for public office.

All procurement transactions regardless of whether negotiated or advertised, and without regard to dollar value, shall be conducted in a manner providing a maximum degree of open and free competition.

Organizations that are directly funded under the HOME-ARP program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the programs or services funded through HOME-ARP. If an organization conducts such activities, the activities must be offered separately, in time or location, from the programs or services funded under HOME-ARP, and participation must be voluntary for the beneficiaries of the HOME-ARP programs or services.

Q28

Yes

Upon request, applicant agrees to furnish copies of liability insurance coverage, fidelity bond coverage for principal staff handling the organization's accounts, and payment of payroll taxes and worker's compensation insurance coverage, as required by Federal and State laws.

Q29

Yes

Upon request, applicant agrees to furnish copies of commitment letters for other funding sources.

Q30

Yes

Upon request, applicant agrees to furnish copies of accounting records and other financial documentation.

Q31

Signature of Authorized Responsible Party Entering your full name in the box below will convey the same meaning as a wet signature.

David O Armstrong

Q32

Request for Qualification - Part 1 Submittal Date

Please enter or click today's **11/17/2023**
date below:

#8

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Friday, November 17, 2023 2:16:18 PM
Last Modified: Friday, November 17, 2023 2:45:39 PM
Time Spent: 00:29:21
IP Address: 63.157.210.130

Page 1: Supportive Service Program & Activities

Q1 **Yes**

Have you completed and submitted the HOME-ARP Request for Qualifications - Part 1 online form?

Page 2: Supportive Service Program & Activities

Q2

Organization Name. Must be the same as entered in the Part 1 - Qualifications online form.

Alternatives, Inc

Q3

Please provide the proposed supportive service program location: (please be specific)

Street Address	2101 3rd Ave N
City	Billings
State	MT
Zip Code + 4	59101

Q4 **Yes**

Is the program location within the Billings city limits?

Q5

Which qualifying populations does your agency propose to serve with HOME-ARP funds? (choose one or more)

Homeless, as defined in 24 CFR 91.5,

At Risk of Homelessness, as defined in 24 CFR 91.5,

Other Populations including: Other families requiring housing assistance services to prevent homelessness, or those at greatest risk of housing instability

,

Veterans and Families that include a Veteran Family Member that meets the criteria for one or more of the qualifying populations

Q6

Which eligible supportive service categories does your agency propose to carry out? (choose one or more)

McKinney-Vento Supportive Services (see McKinney-Vento Homeless Assistance Act)

,

Homeless Prevention Services

Q7

Which eligible activities associated with the above service categories does your agency propose to implement? Full descriptions of activities can be found in HOME-ARP Supportive Services: Eligible Costs & Services (Please choose at least one of the following)

Outreach Services,

Landlord / Tenant Liaison,

Services for Special Populations,

Financial Assistance Costs (e.g., rental application fees, security deposits, utility payments, rental arrears, first, and last month's rent, etc.)

,

Short-term and Medium-term Financial Assistance for Rent

Q8

Describe the need for the proposed supportive services at your organization in relation to homeless prevention and increasing housing stability. (1,000 character maximum)

Many offenders detained are often unemployed or become unemployed as a result of their arrest/conviction creating a barrier for proper housing which leads to reoffending or overcrowding in shelters. As a result, Alternatives currently participate in a City/County program called the Jail Based Program Pilot (JBPP). This program works to assist eligible offenders out of the detention facility and placed into appropriate services to prevent new crimes, reduce re-entries in the jail. One of the former provisions of the program is re-entry support which funds costs for rapid housing placement once released from detention or to prevent loss of housing once out of the facility and participating in court-ordered monitoring, treatment, or combination of services as a diversion to incarceration. This service was previously funded through a grant from the MT Board of Crime Control but has since lapsed leaving a need for continuation of these services.

Q9

Yes

Is the above-stated need identified within the City of Billings' HOME-ARP Allocation Plan?

Q10

Please estimate the number of qualifying HOUSEHOLDS your agency expects to serve with HOME-ARP supportive services in one year. (Whole numbers only; no ranges, no percentages; a single individual = one household; one family = one household)

50

Q11

What is the organization's timeframe in MONTHS for carrying out the proposed activity? Please enter a whole number (no comma, decimal point, etc.)

12

Page 3: Organizational Experience and Capacity

Q12

Provide a detailed description of the organization's ability to serve the identified qualifying population(s). Describe similar projects or activities that have been / are being successfully carried out at the organization, as well as sources of funding for the programs or activities. (2,000 character maximum)

For over 43 years, Alternatives has served this unique population, being one of the few organizations that also works with both violent and sex offenders who are often precluded from services at other agencies. Our participation in the JBPP has offered services to over 400 referrals in the program since July 2022 and the re-entry component has helped nearly 100. However, due to a lapse in funding, the re-entry component will cease to exist in the JBPP. Alternatives worked closely with other organizations and the County Finance Department to create a streamlined process of re-entry funds from application to reimbursement. The internal quality controls and staff training completed to date has allowed this process to succeed and show significant outcomes to preventing re-entry to the jail. Our Care Coordinators have direct relationships with community organizations, landlords, and sober living homes giving them direct connection for housing placement for some of our most difficult populations. The training and leveraging of existing resources make Alternatives, Inc. the most qualified to offer these services to this population. The previous funding for the program came from the Montana Board of Crime Control under an RSAT grant. Additional funding was secured through DPHHS's HEART grant, but unfortunately is limited in its impact. In order to serve the nearly 200 identified inmates with funding, additional sources need to be procured. By the time this grant would be implemented, it is likely that the HEART funding will be expended leaving a gap in resources in this program.

Q13

Please explain any identified obstacles to carrying out this activity prior to the expenditure deadline of September 30, 2030. (1,000 character maximum)

There are not obstacles in preventing the activity. Alternatives already participates in the programming necessary to evaluate the need to rapid housing post release from the jail. The only obstacle for continued funding is a lack of available funds to continue this program that started in July 2022. The only challenge will be the ability to attain future funding for this program to provide sustainability.

Q14

Describe how the organization plans to market the program to participants to ensure people know how to access services or resources. (1,000 character maximum)

The marketing for this program includes coordination with the local judges, public defender's office, prosecution, case managers, treatment court coordinators, landlords, sober living homes, and inmates. A re-entry coordinator housed in the jail facility activity identified appropriate clients to be screened.

Q15

The City has not implemented a preference for any qualifying populations or subpopulations. Describe how the agency will maintain a waiting list of any program participants and/or a waiting list for services. (1,000 character maximum)

A waitlist for the program will consist of utilizing our currently screened program list with identified needs through a care coordination plan. Detailed plans will identify which clients need re-entry funds and funds will be managed until expended. The only waitlist will be for those who have identified re-entry funds but are not yet ready to release. A series of conditions must be met to receive the funds including having a diagnoses SUD, MH, or Co-Occurring disorder. This information is tracked in a secure, shared spreadsheet that is available to members of the JBPP Team.

Q16

Describe how the agency will verify a program participant meets at least one of the qualifying populations prior to service approval. (1,000 character maximum)

Due to the nature of this program, the individuals receiving assistance are identified as homeless due to being incarcerated at the time of screening. When reviewing release and creating a release plan, inmates will be interviewed using a validated risk assessment and additional screening questions utilize Motivational Interviewing techniques to identify housing and employment outside of the facility as well as other community resources the inmate is engaged in. If no permanent home address or employment is identified at intake, they will be initial eligible with further verification. This future verification is done through weekly staffing that includes at least 6 different organizations to verify. This fund is specific to rapid housing and placement.

Q17

How will the organization verify the income of the individuals / households served? Check all that apply.

Client Self-Report,

Verified through other assistance (TANF, Medicaid, etc.),

Third Party Verification,

Other (please specify):

Length of incarceration

Q18

Describe how the agency will assess duplication of benefits, including a process for verifying that a program participant is not currently receiving and/or been approved to receive the same service through another funding source. (1,00 characters maximum)

The Jail Based Program Pilot (JBPP) is designed with collaboration in mind. The weekly staffing meetings comprise of multiple agencies including public, private, and nonprofit groups who have the ability to serve the individual. Releases of Information are signed for any agency not at staffing to obtain information on services. Case files and coordination with these agencies prevents duplication. Since these individuals are currently incarcerated and going through our program, we are the point of first contact. Each request requires a justification application and a signature from a care coordinator or case manager who knows the most about the client's situation. A copy of the invoice, rental notice, or landlord receipt is required. All funds are paid directly to the receiving housing entity. This process has worked well in the past to avoid duplication and verify need for funds.

Q19**No**

Has any program participant been required to repay due to an overpayment and / or duplication of funds at your agency? If yes, how were repaid funds reinvested into another program participant and / or activity?

Q20

Describe the methods or programs the agency will use to document and verify a program participant's eligibility. (1,00 characters maximum)

Alternatives, Inc. employs Motivational Interviewing for initial client screenings, gathering additional information from legal and treatment entities, and Medicaid when relevant. Care Coordinators conduct risk assessments and intakes, then create an Individualized Care Plan (ICP) for approved JBPP program participants. The ICP outlines necessary resources, goals, and tracks progress, serving as the primary eligibility document. Interaction points—intakes, meetings, coordination appointments—are recorded in the Total Offender Management (TOM) System and a master file spreadsheet for team access. Documentation and proof, including Medicaid and benefits verification, are uploaded to TOM, ensuring organized tracking and utilization.

Page 4: Financial & Staffing

Q21

What is the total HOME-ARP funding requested for supportive service activities? (Please enter whole numbers in each field (no dollar sign, comma, decimal point, etc.)

For supportive services activities: **25000**

For the direct provision of services: **0**

Q22**No**

If included in the project budget, will the cost of labor or supplies and materials be incurred in directly providing supportive services to program participants? (i.e., direct provision of services)

Q23

If the direct provision of services will be funded, please describe the employee positions to be funded, percentage of time dedicated to the activity, qualifications, and duties in carrying out the proposed activity. (500 characters maximum)

NA

Q24

Respondent skipped this question

Upload job descriptions and resumes of any staff that will directly carry out supportive service activities for program participants.

Q25

Identify the organization's key staff members that will be responsible for HOME-ARP activity oversight, implementation, financial management, and quarterly reporting. Please include specific titles and qualifications. (1,000 characters maximum for each)

Activity Oversight:

Hollie Bowman, Director of Community Programs, with 20 years of non-profit experience, led by CEO David Armstrong with over 43 years of experience managing and implementing evidence-based community corrections program will be responsible for oversight. Hollie supervises the Care Coordinator position that will be managing the re-entry requests and attending staffing. She is supervised by David Armstrong who manages all facets of the agency. He will also coordinate with the Contracted Director of Development position on goals, objectives, challenges, and overall progress of the project.

Implementation:

Dawson Berg, Care Coordinator, with three years of experience as it relates to this program, currently holds the position of Care Coordinator for the JBPP. He has managed his caseload and the re-entry requests for Alternatives, Inc. since July 2023. He attends weekly staffing, documents interactions, and submits appropriate documentation and verification for the program. He documents his time, interactions, and outcomes which are used currently for other parts of the JBPP.

Financial Management:

Stephanie Churchill, Controller, will act as the final financial manager on the program. She has 30 years of accounting experience and has been with Alternatives, Inc. since January 2020. All requests for funds are processed through the Care Coordinator who sends to the Controller for signatures. She then sends to Accounts Payable to process a check with is signed by the CEO. Then the Contracted Director of Development receives reports and documentation for reporting and requests for reimbursement. This process has worked since July 2022.

Quarterly Reporting:

Contracted Director of Development, Amanda Stonerock, whom has 15 years of non-profit experience will be managing quarterly reporting submission. Amanda has been managing grant funds and quarterly reporting for Alternatives, Inc since 2016. She owns and operates her a nonprofit consulting agency that specializes in grant writing, grant implementation, grant reporting, and grant auditing.

Q26

No

If awarded HOME-ARP funding, will the organization hire new staff to implement the project? If yes, the organization must comply with low-income recruitment regulations for positions supported, either in part or in full, with federal funding. Recruitment efforts must include targeting low- and very-low-income individuals, and race/ethnicity documentation must be provided on applicants for any positions supported by federal funding.

Page 5: New Staff Positions

Q27

Respondent skipped this question

Please upload job descriptions for each new position. Acceptable formats PDF, DOC, DOCX, JPG, JPEG

Page 6: Sources & Uses

Q28

Please upload your completed Sources & Uses spreadsheet. Acceptable formats PDF, JPG, JPEG

HOME-ARP%20Sources%20and%20Uses%20-%20ALT.pdf (94.4KB)

Page 7: Authorization / Certification / Signature

Q29

Please upload the Authorization to Request Funds documentation, signed by the organization's Authorized Responsible Entity. Acceptable formats PDF, JPG, JPEG

Board%20Resolution.pdf (36.3KB)

Q30

Signature: Typing your full name in the box below will be considered signing.

David O Armstrong

Q31

HOME-ARP Request for Qualifications - Part 2 Submittal Date

Please click or enter the date **11/17/2023** below:

Office of the Secretary of State



OF THE STATE OF MONTANA

CERTIFICATE OF INCORPORATION

I, FRANK MURRAY, Secretary of State of the State of Montana, do hereby certify that duplicate originals of Articles of Incorporation for the incorporation of

— COMMUNITY HALF-WAY GROUP HOME —

duly executed pursuant to the provisions of Section—15-2328— of the Revised Codes of Montana, have been received in my office and are found to conform to law.

NOW, THEREFORE, I, FRANK MURRAY, as such Secretary of State, by virtue of the authority vested in me by law, hereby issue this Certificate of Incorporation to

— COMMUNITY HALF-WAY GROUP HOME —

and attach hereto a duplicate original of the Articles of Incorporation.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of Montana, at Helena, the Capital, this—15th day of — May — A.D. 19 78—

Frank Murray
FRANK MURRAY
Secretary of State
Leonard C. Larson
By LEONARD C. LARSON
Chief Deputy

26920 MAY 15 1978

FRANK MURRAY

SECRETARY OF STATE

Deputy

ARTICLES OF INCORPORATION

PREAMBLE: We, the undersigned, hereby associate ourselves together to form a non-profit corporation for charitable purposes under the laws of the State of Montana.

I. NAME OF CORPORATION: Community Half-Way Group Home.

II. DURATION: Perpetual.

III. PURPOSES: The purpose of this Corporation is to provide residential programs for the care and treatment of offenders who can be helped, in a reasonably short time, to achieve a degree of responsibility that will enable them to live constructively in the community.

This corporation shall be a non-profit corporation organized under the Montana Non-Profit Corporation Act. This Corporation is further organized exclusively for charitable, scientific, and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954, or the corresponding provisions of any future United States Internal Revenue Law.

To the extent not inconsistent with the purposes set forth above, this corporation may engage in other activities not prohibited by law.

IV. LIMITATIONS:

Section 1: No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to, its directors, trustees, officers, members or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payment and distributions in furtherance of the purposes set

forth in Article III hereof.

Section 2: No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

Section 3: Notwithstanding any other provisions of these Articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1954, or the corresponding provision of any future United States Internal Revenue Law or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954 or the corresponding provisions of any future United States Internal Revenue Law.

V. ADDRESS OF INITIAL REGISTERED OFFICE: 310 North 27th Street, Billings, Montana 59101.

VI. INITIAL REGISTERED AGENT: Ken Mitchell

VII. NAMES AND ADDRESSES OF INITIAL BOARD OF DIRECTORS:

Name

Larry Porter
Mike Joyce
Ken Mitchell
Liv BJORLIE
Dr. Ruey Lin
Warren Vaughn
Suzy Kurth
Ellis E. Kiser
Jean Omelchuck
Rosemary Boschert
Thomas E. Towe
Bernie Hedrick
Pedro Hernandez
Kathi Bricks
Fran Kunz

Robb Stephens
Sherry Lithander
Wayne Gustafson
Ron Sexton

VIII. NAMES AND ADDRESSES OF THE INCORPORATORS:

Thomas E. Towe

Ken Mitchell

IX. MEMBERSHIP: There shall be no members. Total supervision of the operation and affairs of this Corporation is placed in the Board of Directors. The number of directors may be increased or decreased by a Resolution of the Board provided the number shall not be less than three (3) nor more than thirty (30).

The initial Board shall contain nineteen (19) directors.

X. DISSOLUTION: Upon the dissolution of this corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner or to such organization or organizations organized and operated exclusively for charitable, educational, or religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding provision of any future United States Internal Revenue Law, as the Board of Directors shall determine. Any of such assets not so disposed of shall be disposed of by the State District Court of the County in which the principal offices of the corporation has been located, exclusively for such purposes, or to such organization or organizations, as said Court shall determine, which are organized and

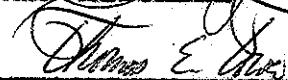
operated exclusively for such purposes.

XL. WAIVER OF NOTICE: Whenever any notice is required to be given to any member, if ever there be any, or director of the corporation under the provisions of Montana Law or under provisions of the Articles of Incorporation or By-Laws of the corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

XII. ACTION BY CONSENT: Any action required by Montana Law to be taken at a meeting of the Directors, or members, if ever there be any, of the corporation, or any action which may be taken at such meeting, may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the Directors or members, if ever there be any, entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote, and may be stated as such in any articles or documents filed with the Secretary of State.

Concluding these Articles, we do hereby subscribe our names on this 2nd day of March, 1978.


KEN MITCHELL


THOMAS E. TOWE

RESOLUTION OF THE BOARD OF DIRECTORS OF ALTERNATIVES, INC.

TAKEN November 16, 2023

WHEREAS, Alternatives, Inc., a nonprofit organization, is committed to supporting services for offenders re-entering the community including the provision of emergency funds for housing and utilities; and

WHEREAS, the Board of Directors has determined that it is in the best interest of Alternatives, Inc. to seek external funding to support re-entry; and

WHEREAS, the City of Billings has announced the availability of grant funds that can be utilized for such activities;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Alternatives, Inc. hereby authorizes David Armstrong, CEO, to prepare and submit on behalf of Alternatives, Inc. a grant application to the City of Billings for funding to provide supportive and re-entry services for housing; and

BE IT FURTHER RESOLVED, that the Board of Directors of Alternatives, Inc. hereby authorizes Dave Armstrong to execute any and all documents and take any and all actions necessary to apply for, secure, and administer said grant funds, should they be awarded, on behalf of Alternatives, Inc.

PASSED AND ADOPTED by the Board of Directors of Alternatives, Inc. this 16th day of November 2023.

Verne Peterman 11/16/23
Verne Peterman
President, Board of Directors

ALTERNATIVES, INC.

POLICY AND PROCEDURAL STATEMENT

SOP: A5	Subject: By-Laws of Alternatives, Inc.
Section: Administrative and General	Page 1 of 12
Related ACA Standards:	Revision Date: July 28, 2020
Signature: "David O. Armstrong"	Effective Date: July 28, 2020

BY-LAWS OF ALTERNATIVES, INC.

ARTICLE I Name

This not for profit Corporation is incorporated under the statutes of the State of Montana as ALTERNATIVES, INC.

ARTICLE II Principal Office

This principal office of the corporation is situated in Billings Yellowstone County, Montana.

ARTICLE III Mission Statement

ALTERNATIVES, INC. promotes public safety and challenges offenders to become responsible productive citizens through firm, fair, consistent supervision, treatment, and education programs.

ARTICLE IV Duration and Dissolution

The duration of the Corporation is perpetual. In the event that dissolution is necessary, for any reason, all existing funds of the agency remaining after payment of expenses and debts shall be donated to a non-profit, charitable organization in accordance with Article X of the Corporate Charter.

ARTICLE V Board of Directors

Section 1.1 Responsibility of the Board of Directors: The Board of Directors is the governing body of this corporation and shall determine the basic policy for the Corporation.

Section 1.2 Composition of the Board of Directors: The Board of Directors shall consist of at least fifteen (15) members but no more than twenty-five (25). Seventy-five percent (75%) of the membership must be residents of Yellowstone County and shall represent a diversity of

occupational and professional categories and business, organization and association interests. At least one representative from each of the following categories shall be on the Board of Directors at all times:

State, County, or Municipal Elected Official
Law Enforcement Official
College Official, instructor or Professor
Lawyer
Social Services
Business
Representatives of the Community at Large

Section 1.3 Selection of Members: The Nominations Committee shall review the qualifications of prospective members for the Board of Directors identifying those persons best able to contribute to the operations of Alternatives, Inc. The Nominations Committee shall present the names of those persons it feels are best qualified to the Board of Directors for confirmation. A majority vote of a quorum is required to confer Board of Directors membership upon a prospective member.

Section 1.4 Term of Service: The term of service for each Director shall be three years beginning on the date of the first Annual Organizational Meeting after confirmation of appointment. The Annual Organizational Meeting occurs on the third Thursday in September or on such date that the Board of Directors may otherwise choose. A person may, however, be confirmed to fill or complete an unfinished term, resulting from the resignation of a member or otherwise vacant Board position. Between five (5) and nine (9) members' terms will expire each year. A member may be elected to successive terms without limit.

Section 1.5 Meetings: The Board of Directors shall hold regular meetings of the Board of Directors on the third Thursday of the month, or on such date that the Board of Directors may otherwise choose, to receive and act upon business properly noted on the agenda. If no objection is raised at the meeting, other matters not on the agenda may be raised and acted upon. The meetings shall be presided over by the President of the Board of Directors or in his/her absence the Vice President or Second Vice President. In the event of any question or point of procedure the presiding chair shall refer to Robert's Rules of Order which shall govern. Members may attend the meetings of the Board and exercise their voting privilege by means of video teleconference or audio (telephone) connection as long as it is possible for all attendees to hear each other simultaneously. Proxies shall not be permitted.

Section 1.6 Notification of Meetings: The Secretary/Treasurer of the Board or his/her designee shall be responsible for sending to all members written or electronic notification of the time, date, place, and agenda for regular meetings, one week in advance of the date of that meeting. Additional "special" meetings may be called by the President or any three directors, upon written petition to the President, with notification provided by the Secretary/Treasurer or his/her designee by email at least one week (5 working days) in advance of the meeting time; if the majority of the Board does not respond to the notification they will be contacted via telephone. A majority of the Board of Directors shall be contacted by the Secretary/Treasurer

and must agree to the “special” meeting time, date and place in order for it to be official. The Secretary/Treasurer shall be responsible to record the results of the contacts related to the notification of the “special” meeting for entry into the minutes at the regularly scheduled meeting of the Board of Directors. An agenda must be provided to the Board membership in advance of the special meeting. The Board of Directors is authorized to distribute ballots to the voting membership to decide on any item of business arising between meetings. Decisions with respect to such balloting require the affirmative vote of 2/3 of the membership or must be ratified by a majority of the Board at the next regular or special meeting.

Section 1.7 Quorum: A quorum for the conduct of all business will be not less than eight (8) members of the Board of Directors. Decisions may only be made by a majority vote of the quorum present, except in the case of an amendment to or an amendment in total of the By-Laws, revision to or amendment in total of the Personnel Manual, and the cases referred to in Section 1.8 and 1.9 of this article. Each member of the Board of Directors, including the President, is entitled to one vote.

Section 1.8 Conflict of Interest: Conflict of interest arises in any transaction with the Corporation or a committee of the Board in which a director has a direct or indirect pecuniary interest in the outcome of a vote.

A Director shall be considered to have a conflict of interest if (a) such Director has existing or potential financial or other interest in the transaction which impairs or might reasonably appear to impair such member’s independent, unbiased judgment in the discharge of his/her responsibilities to the corporation, or (b) such Director is aware that a member of his/her immediate family (defined below) or any organization in which such Director (or member of his/her immediate family) is an officer, director, employee, member, partner, or controlling stockholder, has such existing or potential financial or other interests in the transaction. All Directors shall disclose to the Board any possible conflict of interest at the earliest practicable time. Upon such disclosure, such Director shall abstain from speaking and voting on any matter under consideration at a Board or committee meeting, in which such Director has a conflict of interest. The minutes of such meeting shall reflect that a disclosure was made and that the Director having a conflict of interest abstained from speaking and voting. Any Director who is uncertain shall disclose the possible conflict of interest and request the Board or committee to determine whether a conflict of interest exists, and the Board or committee shall resolve the questions by a majority vote.

A transaction in which a Director has a conflict of interest may be approved: (a) in advance by the vote of the Board of Directors or a committee of the Board if: (i) the material facts of the transaction and the Director’s interest are disclosed or known to the Board or committee of the Board and; (ii) the Directors approving the transaction in good faith reasonably believe that the transaction is fair to the corporation; or (b) after it is consummated by obtaining approval of: (i) the Montana attorney general’s office; or (ii) a state district court in an action in which the attorney general is joined as a party.

A conflict of interest transaction is authorized, approved, or ratified, if it receives the affirmative vote of two-thirds of the quorum present who have no direct or indirect interest in the transaction.

No Board Member, committee member, or any member of his/her immediate family shall be employed by the Corporation during his/her term of office without an affirmative vote of a two-thirds majority of the Board of Directors quorum present. For purpose of clarity “immediate family” includes the following:

Husband	Wife
Father	Mother
Father-in-law	Mother-in-law
Brother	Sister
Brother-in-law	Sister-in-law
Son	Daughter
Son-in-law	Daughter-in-law

Section 1.9 Resignation, Expulsion, or Suspension of Membership: Any Director may be removed with or without cause at any time by the Board of Directors, at a regular or special meeting of the Board of Directors. Notice of the intent to remove a Director must be provided to that Director at least one (1) week before the scheduled meeting. Removal shall require a two-thirds (2/3) majority vote of the Board of Directors quorum present.

Section 1.10 Indemnification: An individual made a party to a legal proceeding because the individual is or was a Director may be indemnified against liability incurred in the proceeding if the Board determines that the individual: (a) conducted himself in good faith; (b) reasonably believed: (i) in the case of conduct in his/her official capacity with the corporation, that his/her conduct was in its best interests; and (ii) in all other cases, that his conduct was at least not opposed to its best interests; and, (c) in the case of any criminal proceeding, had no reasonable cause to believe his conduct was unlawful.

The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent is not, of itself, a determination that the Director did not meet the standard of conduct described in this section.

The corporation may not indemnify a Director under this section: (a) in connection with proceeding by or in the right of the corporation in which the Director was adjudged liable to the corporation; or (b) in connection with any other proceeding that charges improper personal benefit to the Director, whether or not involving action in his official capacity, in which the Director was adjudged liable on the basis that personal benefit was improperly received by the Director.

Indemnification permitted under this section in connection with a proceeding by or in the right of the corporation is limited to expenses incurred in connection with the proceeding.

The corporation shall indemnify a Director who was wholly successful, on the merits or otherwise, in the defense of any legal proceeding to which the Director was a party because he is or was a Director of the corporation, against expenses actually incurred by the Director in connection with the proceeding.

The corporation may pay for or reimburse the reasonable expenses incurred by a Director who is a party to a legal proceeding in advance of final disposition of the proceeding if: (a) the Director furnishes the corporation a written affirmation of his good faith belief that he has met the standard of conduct described above; (b) the Director furnishes the corporation a written undertaking, executed personally or on the Director's behalf, to repay the advance if it is ultimately determined that the Director did not meet with standard of conduct or is convicted of a crime; and (c) a determination is made that the facts when known to those making the determination would not preclude indemnification under the statute.

The undertaking required above shall be an unlimited general obligation of the Director who is the party to the legal proceeding but need not be secured and may be accepted without reference to financial ability to make repayment.

The corporation shall only indemnify and/or reimburse a Director after it is authorized in the specific case after a determination has been made by the Board of Directors that indemnification or reimbursement of the Director is permissible in the circumstances because the Director has met the standard of conduct set forth above. Such a determination shall be set forth in the minutes of the Corporation.

The determination of whether to provide indemnification or reimbursement must be made by the Board of Directors by majority vote of a quorum of Directors.

An officer of the corporation who is not a Director is entitled to indemnification to the same extent as a Director.

The corporation may indemnify and advance expenses to an officer, employee, or agent of the corporation who is not a Director to the same extent as to a Director.

The corporation may also purchase and maintain insurance on behalf of an individual who is or was a director, officer, employee, or agent of the corporation or who, while a Director, officer, employee, or agent of the corporation, is or was serving at the request of the corporation as a Director, officer, partner, trustee, employee, or agent of another foreign or domestic business or nonprofit corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against liability asserted against or incurred by him/her in the capacity or arising from his status as a Director, officer, employee, or agent.

ARTICLE VI

Officers

Section 1.1 Officers: The Officers of the Corporation shall consist of a President, First Vice President, a Second Vice President, a Secretary/Treasurer, and the Past President.

Section 1.2 Selection of Officers: At the annual meeting of the Board of Directors in September of each year, officers shall be elected by ballot. However if there is only one nominee for any office, a Board member may move with a second that the Secretary/Treasurer cast a single ballot electing the nominee.

Section 1.3 Assumption of Duties/Term of Service: Officers shall assume their official duties on October 1, of each year and shall serve for a term of one year.

Section 1.4 Consecutive Terms: There shall be no limit on the number of consecutive terms that may be served by an officer except the President. The President may serve only two consecutive terms and must then wait one term before being eligible to serve in that position again.

Section 1.5 Vacancy: In the event of a vacancy in any of the Board of Directors offices with the exception of the President, such vacancy shall be filled by a majority vote of the Board at the next Board Meeting at which there is a quorum present. Should the office of President become vacant, the Vice President shall succeed to the office of the President.

ARTICLE VII Officers Duties

The various officers shall have the powers and duties which customarily appertain to, or are incident to, their respective offices under Montana law, including those hereinafter provided, and, in addition, such powers and duties as the Board of Directors may from time to time designate and confer.

Section 1.1 President of the Board: The President shall preside at all meetings of the Corporation, the Board of Directors, and the Executive Committee of the Board of Directors at which he/she may be present.

Section 1.2 The President in cooperation with the Chief Executive Officer shall prepare the agenda for Board Meetings.

Section 1.3 The President may assign items of business to standing or ad hoc committees for study and recommendations. However, the Board of Directors may decide to take action on the matter without waiting for the committee report, provided that it is included on the agenda and no objection is made thereto.

Section 1.4 The President shall designate the membership of standing and ad hoc committees not determined by direct Board of Directors action or by these By-Laws.

Section 1.5 The President shall be an ex-officio member of all standing committees, excepting the Nominations Committee, but has a vote only to break a deadlocked vote at the meeting of such committees.

Section 1.6 The President shall sign such instruments and documents as called for signatures by an Officer of the Board except as noted in Article X, Section 1.1.

Section 1.7 The President shall be responsible for ascertaining regularly whether the Chairpersons of committees are providing active and continuing leadership to their committees and for recommending to the Board changes in committee leadership. At the beginning of his/her term of office, the President of the Board of Directors shall recommend to the Board of Directors committees thought to be needed and their Chairpersons.

Section 2.1 The First Vice President in the event of the absence or illness of the President, shall serve in all duties assigned to the latter and shall become President for the remainder of the term when the office becomes vacant in mid-term.

Section 3.1 The Second Vice President in the event of the absence or illness of the President and First Vice President, shall serve in all duties assigned to the President.

Section 4.1 The Secretary/Treasurer, or designee, shall be responsible for the taking and distribution of minutes of Board Meetings and for the preservation of the official copy of the minutes as adopted. Distribution shall be accomplished by electronic mailing unless otherwise requested by a Board Member a week in advance of the subsequent meeting.

Section 4.2 The Secretary/Treasurer, or designee, shall be the custodian of the corporate charter and seal, and of the official copy of the By-Laws with the responsibility of keeping the latter updated.

Section 4.3 The Secretary/Treasurer, or designee, shall be responsible for the preservation of copies of annual reports, financial statements, and audits, and of other documents of like importance.

Section 4.4 The Secretary/Treasurer shall be responsible to provide that proper and timely notice is given to appropriate personnel of all Board of Director and Executive Committee meetings. Such notice shall normally entail the electronic mailing of an agenda including the time, date, and location of the meeting to each member one week in advance of the proposed meeting. In case of special circumstances or emergency, the President may approve notification by email and/or telephone with less than one week's notice.

Section 4.5 The Secretary/Treasurer, or designee shall be responsible for keeping an official roster of current Board members with the associated addresses, phone numbers, and terms of office.

Section 5.1 The Director of Finance (Chief Financial Officer), who is an employee of the corporation, shall be responsible for setting up and managing the financial books of the Corporation. The Secretary/Treasurer shall provide general oversight with the respect to the finances, funds and securities of the corporation with the understanding that it is the daily responsibility of the corporations accounting and financial employees and agents to accurately maintain the financial books and records of the corporation.

Section 5.2 The Secretary/Treasurer shall serve as a member of the Finance Committee of the Board of Directors and is not excluded from serving as chairperson of that committee.

Section 5.3 The Secretary/Treasurer shall work closely with the Chairperson of the Finance Committee and with the Chief Executive Officer in the general overseeing of the financial operations of the Corporation.

Section 5.4 The Secretary/Treasurer or designee shall present a financial statement at every meeting of the Board of Directors, and shall make a full report following completion of the annual independent audit.

ARTICLE VIII

Committees and Their Duties

Section 1.1 Committees, both standing and ad hoc, may be set up by the Board of Directors to advise it on such matters as it determines desirable. The Board of Directors shall look to its committees for detailed consideration of issues and for carefully formulated proposals for Board of Directors action. No committee shall be established without the consent of a majority of the Board of Directors.

Section 1.2 Committees shall be Chaired by a voting member of the Board of Directors. Membership may include Board Members, Staff Persons, and members of the community at large.

Section 1.3 Any committee may function as an advisory body to the Chief Executive Officer on matters relating to administrative functions and actions.

Section 1.4 The following are the current standing committees:

- a. Executive
- b. Program
- c. Finance
- d. Personnel
- e. Housing and Food Service
- f. Community Development
- g. Nominations and Membership

Section 2.1 The Executive Committee shall be composed of the officers of the Board of Directors, Past President, and the Chairpersons of the standing committees.

Section 2.2 The quorum for a meeting of the Executive Committee shall be the majority of the members. Except in the event of an emergency, as determined by the President, all members of the committee will be notified of meetings for every case. In those cases where an emergency meeting is needed, effort shall be made to notify each officer and those committee Chairpersons

whose committee functions relate most to the business at hand by telephone and/or electronic mail.

Section 2.3 The Executive Committee shall advise the Board of Directors on matters not falling within the purview of other standing committees and on matters relating to the overall supervision of the administration of the corporation. The Executive Committee is responsible for the development and revision of long range goals for the Corporation which are then subject to approval by a quorum of the Board of Directors at a regular meeting or special meeting properly called and constituted under these bylaws.

Section 2.4 The Executive Committee shall serve as the most general advisory body for the Chief Executive Officer and shall determine the Chief Executive Officer's compensation with advice from the Personnel and Finance Committees.

Section 3.1 The Program Committee shall be responsible for the strategic development of the programs of the agency and the revision of the programs manual and shall advise the Board of Directors on such matters.

Section 3.2 The Program Committee shall receive periodic reports from the Chief Executive Officer or designee on how programs are working and recommend amendments to keep program policy abreast of, and relevant to, practice.

Section 3.3 The Program Committee shall participate actively in the ongoing evaluation of programs and shall perform a formal written evaluation of the program on an annual basis. The evaluation will be presented to the Board by October of each year and copies of the evaluation made available to Board Members upon request.

Section 4.1 The Finance Committee shall have general responsibility for overseeing the financial operations of the corporation and specific responsibility for the development of financial policy as such.

Section 4.2 The Director of Finance (Chief Financial Officer), under the direction of the Chief Executive Officer and the Finance Committee, shall be responsible for the preparation of the budget and for recommending the same to the Board of Directors. In this preparation, recommendations shall be received from Board committees on needed expenditures and the Finance Committee shall develop its own recommendation on a feasible budget. All budget revisions must be approved by a quorum of the Board of Directors.

Section 4.3 The Finance Committee shall receive periodic reports from the Chief Executive Officer on the financial operations of the agency and shall forward such reports with recommendations to the Board of Directors.

Section 5.1 The Personnel Committee shall be responsible for the development and revision of the Personnel Handbook and shall advise the Board of Directors on such matters.

Section 5.2 The Personnel Committee shall receive periodic reports from the Chief Executive Officer or designee on the effectiveness of the personnel policy.

Section 5.3 The Personnel Committee shall be responsible for the annual evaluation of the Chief Executive Officer and for presenting the results to each Director of the Board and to the Executive Committee for action per Section 2.4.

Section 5.4 The Personnel Committee shall be responsible for reviewing all Corporation job descriptions, including that of the program Chief Executive Officer, on an annual basis.

Section 6.1 The Housing and Food Service Committee shall be responsible for the development of policy relating to the Housing and Food Service facilities of the Corporation.

Section 6.2 The Housing and Food Service Committee shall receive periodic reports from the Chief Executive Officer on the functioning of Corporation facilities and shall develop recommendations for improvements.

Section 6.3 The Food Service Committee shall solicit community in-kind contributions for the food service program.

Section 7.1 The Community Development Committee shall be responsible for developing a continuing program of information on Corporation activities, accomplishments, and needs for both the general public and specific entities.

Section 8.1 The Nomination and Membership Committee shall nominate candidates for membership on the Board.

Section 8.2 The Nomination and Membership Committee shall be responsible for presenting a list of nominees for the offices of the Board at the annual meeting. Whenever an office other than that of the President becomes vacant during the course of a year, the committee shall provide nomination for this position at the next regular meeting of the Board.

Section 8.3 The Nominations and Membership Committee shall have primary responsibility for the recruitment of Board Members and shall prepare lists of potential members with indications of their skills and interests.

Section 8.4 The Nominations and Membership Committee may recommend to the Board on the removal of any member of the Board.

ARTICLE IX

Administration of the Corporation

Section 1.1 The Executive Committee of the Board in consultation with the membership, shall select and employ a single Chief Executive Officer who shall be solely responsible for managing all operations of the corporation, but shall do so within the limits of corporate policy.

Section 1.2 The Chief Executive Officer shall be primarily responsible for the implementation of the policies and for carrying out the goals and mission of the Board. For this purpose the Chief Executive Officer is responsible to oversee the development of a comprehensive set of written operating procedures and to review this annually. These standards in total shall be known as the Operations Manual and shall be made available to the Board of Directors, all personnel and others who may request it on a need to know basis.

Section 1.3 The specific duties of the Chief Executive Officer shall be outlined in the job description for that position.

Section 1.4 The Chief Executive Officer shall be an ex-officio non-voting member of the Board of Directors and of all other standing and ad hoc Board Committees.

Section 1.5 The Chief Executive Officer is authorized to make expenditures for the agency within the limits of the official corporation budget.

Section 1.6 The Chief Executive Officer shall be authorized to make an expenditure not to exceed \$10,000 on any one item for fixed assets or investment items. Items over \$5,000 and not exceeding \$25,000 must have the approval of the Finance Committee. Items over \$10,000 in cost must have the approval of a majority of a quorum of the Board of Directors at a properly convened meeting of the Board. Interim (between Board meetings) approval of expenditures over \$10,000 may be obtained telephonically or electronically (including email) but requires a majority vote by the entire Board membership. The results of such votes must be presented at the next Board meeting and ratified by the membership. In the case of an emergency expenditure as a result of damage to a facility or necessary to maintain program integrity the Chief Executive Officer has authority to commit funds as needed and without restriction to address the situation. The Chief Executive Officer is responsible for notifying the Board of such action by contacting an elected officer within 24 hours of the emergency, and the emergency expenditure will be considered for ratification by the Board of Directors at the next regular meeting or special meeting of the Board.

Section 1.7 Those representatives of the legal profession serving as Board Members may serve as legal counsel for the Corporation and will be remunerated for the same. The corporation's Chief Executive Officer shall be responsible for selecting legal counsel in any litigation, legislative or administrative hearing and contract negotiations concerning agency operations, subject to being overridden by majority of a quorum of the Board of Directors.

ARTICLE X

Miscellaneous

Section 1.1 Execution of Instruments: All checks, drafts, and other instruments for payments of money and all instruments of transfer of securities shall be signed in the name and behalf of the Corporation by those persons as designated by the Board of Directors on the Corporate Resolution which shall be considered at the time of the annual meeting each year and shall, if necessary be renewed. All instruments of conveyance of real property and all contracts and

agreements shall be signed by such officers or agents as a majority of a quorum of the Board of Directors may direct.

Section 1.2 Waiver of Notice: Any notice which is required to be given by law or these By-Laws to any Director or member of the Corporation may be waived in writing or electronically by the person or facility to whom such notice is required to be given. A Director's attendance at or participation in a meeting waives any required notice of the meeting unless the Director, upon arriving at the meeting or prior to the vote on a matter not noticed in conformity with the statute, the Articles, or By-Laws, objects to lack of notice and does not vote for or assent to that action.

Section 1.3 Investments: The property, assets and funds of the Corporation may be invested in shares of stock, whether common or preferred, bonds, notes, mortgages, or other securities in other personal property or real estate as a quorum of the Board of Directors may from time to time authorize or approve without restriction or limitation by reason of any statute, rule or law.

Section 1.4 The fiscal year of the corporation shall begin on July 1, of a calendar year and end on June 30th of the following year.

Section 1.5 At the conclusion of each fiscal year the Board of Directors will select an independent auditor to conduct a certified audit of financial records. This audit shall be reviewed by the Finance Committee and be presented to the Board of Directors by representatives of the independent auditors no later than the annual meeting in November.

ARTICLE XI

Amendment of By-Laws

Section 1.1 General: These By-Laws may be adopted, amended, repealed or added to by an affirmative vote of two-thirds of a quorum at an official meeting of the Board of Directors if notice of the proposed adoption, amendment, repeal or addition is contained in the notice of the meeting.

Section 1.2 Notwithstanding the foregoing, the voting members of the Board of Directors shall have no power to alter, amend, repeal or add to these by-laws in such manner as to permit any Director, member, officer, agent of employee ever to receive compensation or pecuniary benefit from the operations, except reasonable compensation for authorized services actually rendered to the Corporation in effecting one or more of its purposes, or to receive any part of the property or assets of the Corporation during its continuance or upon its dissolution or termination of its corporate existence expect through bona fide purchase at fair value determined by a neutral third party.

Section 1.3 In any deadlock situation arising out of these By-Laws or application of the provisions contained herein an arbitrator shall resolve the matter and his or her decision shall be binding. The Chief Executive Officer, subject to ratification by a quorum of the Board, shall appoint a representative. The other side of the dispute shall appoint a representative, and those two representatives, shall select the arbitrator. The arbitrator shall proceed under the Montana Uniform Arbitration Act and, according to the Rules of Civil Procedure for the State of Montana,

render a decision as quickly as practicable. In the event that one or another party to the dispute unnecessarily delays or refuses to cooperate in the process, the other party may petition the Yellowstone County District Court for appropriate relief

Passed and Accepted:

SIGNED:

PRESIDENT

DATE

Modification as approved at the August 2020 Board of Director's meeting.

Alternatives, Inc.
Balance Sheet by Month
As of August 31, 2023

Aug 31, 23

ASSETS

Current Assets

Checking/Savings	
10000 · Cash	6,286,983.41
Total Checking/Savings	6,286,983.41
Accounts Receivable	
11000 · Accounts Receivables	1,272,443.93
Total Accounts Receivable	1,272,443.93
Other Current Assets	
12000 · Undeposited Funds	9,848.53
12010 · Unbilled Revenue	(11,349.50)
129.00 · Other Receivables	13,150.09
130.00 · Prepaid Expense	319,140.31
14000 · Bond Funds	539,236.71
Total Other Current Assets	870,026.14
Total Current Assets	8,429,453.48

Fixed Assets

18000 · Fixed Assets	9,728,138.16
Total Fixed Assets	9,728,138.16
TOTAL ASSETS	18,157,591.64

LIABILITIES & EQUITY

Liabilities

Current Liabilities	
Accounts Payable	
20000 · Accounts Payables	156,148.30
Total Accounts Payable	156,148.30
Credit Cards	
200.10 · FIB Mastercard	36,072.38
200.90 · Lowe's	391.54
200.99 · RMB Resident CC Clearing	264,982.37
Total Credit Cards	301,446.29
Other Current Liabilities	
20100 · Short-Term Liabilities	1,072,355.83
209.97 · Miscellaneous Clearing	(30.97)
209.99 · Payroll Clearing Account	1,265,233.35
Total Other Current Liabilities	2,337,558.21
Total Current Liabilities	2,795,152.80
Long Term Liabilities	
22000 · Long-Term Liabilities	2,659,863.68
Total Long Term Liabilities	2,659,863.68
Total Liabilities	5,455,016.48

Equity

299.99 · Net Assets	11,999,014.53
Net Income	703,560.63
Total Equity	12,702,575.16
TOTAL LIABILITIES & EQUITY	18,157,591.64

Alternatives, Inc.
Profit & Loss by Month
August 2023

	<u>Aug 23</u>	<u>TOTAL</u>
Ordinary Income/Expense		
Income		
40000 · Revenue		
400.00 · DOC Revenue	888,710.01	888,710.01
405.00 · FBOP Revenue	104,815.65	104,815.65
410.00 · USPO Revenue	12,302.10	12,302.10
415.00 · UA Revenue	2,111.00	2,111.00
430.00 · ETSS Revenue	45,643.07	45,643.07
440.00 · Resident Revenue	124,604.00	124,604.00
441.00 · Misdemeanor Revenue	109,973.51	109,973.51
445.00 · Education/Treatment Revenue	38,819.03	38,819.03
450.01 · Grant Income	1,968.37	1,968.37
460.00 · Interest Income	2.23	2.23
480.00 · Miscellaneous Revenue	3,148.74	3,148.74
481.00 · Rental Income	3,428.50	3,428.50
Total 40000 · Revenue	1,335,526.21	1,335,526.21
Total Income	1,335,526.21	1,335,526.21
Gross Profit	1,335,526.21	1,335,526.21
Expense		
50000 · Personnel Expenses		
500.00 · Regular Wages	587,400.81	587,400.81
501.00 · Overtime Wages	42,618.15	42,618.15
510.00 · Taxes and Benefits	132,180.36	132,180.36
540.00 · Outside Services	7,509.75	7,509.75
Total 50000 · Personnel Expenses	769,709.07	769,709.07
60000 · Program Expenses		
600.00 · Resident/Client Expense	125,643.99	125,643.99
630.00 · Food	94,882.27	94,882.27
635.00 · Communications	5,355.64	5,355.64
640.00 · Supplies	20,086.16	20,086.16
645.00 · Equipment Lease	560.58	560.58
648.00 · Travel	702.28	702.28
650.00 · Repairs and Maintenance	65,139.31	65,139.31
660.00 · Bad Debt (Net of Recovery)	43,135.87	43,135.87
665.00 · Property Taxes	182.21	182.21
670.00 · Utilities	37,305.61	37,305.61
672.00 · Fleet	1,160.87	1,160.87
675.00 · Employee	22,219.21	22,219.21
695.00 · Other Services/Fees	4,361.09	4,361.09
Total 60000 · Program Expenses	420,735.09	420,735.09
70000 · General and Administrative Exp		
705.00 · Insurance	631.61	631.61
706.00 · Management Fees	245.57	245.57
715.00 · Bonding Costs	542.20	542.20
720.00 · Interest	9,235.58	9,235.58

Alternatives, Inc.
Profit & Loss by Month
August 2023

	Aug 23	TOTAL
725.00 · Legal/Consulting	4,518.57	4,518.57
730.00 · Computer Support	34,914.11	34,914.11
740.00 · Public Relations	1,332.02	1,332.02
745.00 · Admin Services/Fees	677.01	677.01
Total 70000 · General and Administrative Exp	52,096.67	52,096.67
Total Expense	1,242,540.83	1,242,540.83
Net Ordinary Income	92,985.38	92,985.38
Net Income	92,985.38	92,985.38



ALTERNATIVES
CORRECTIONS TO COMMUNITY

Alpha House Men's Program
3109 1st Avenue North
Billings, MT 59101
259-9695 (After Hrs: 248-5851)

Passages Women's Program
1001 South 27th Street
Billings, MT 59101
294-9609 (After Hrs: 294-9608)

Beta/Compass 256-3501
Stillwater 322-4121
Carbon 446-1675

OFFICERS:

Board of Directors List: February 2023

Verne Petermann, President	23	Tyrel Hamilton	25	Judy Towlerton	25
Blade Stiller, 1 st Vice President	25	Tom Hanel	23	Lisa Wallace	23
Josh Billstein, 2 nd Vice President	25	Don Jones	25	Katie Weston	25
Meri McGlone, Secretary/ Treasurer	25	Katie Michunovich	23		
Lisa Skriner, President	25	Dianne Parker	26		
Beverly Bilyeu-Carkeek	25	Jenn Phalen	24	Dr. Paul Cimmino	
Sam Bofto	24	Pam Purinton	25	Alex Nixon	
Bill Bullock	23	Melanie Schwarz	24		
Kathleen Candelaria	25	Jay Thompson	23	LEGAL ADVISOR:	

Internal Revenue Service

Date: April 30, 2001

Alternatives Inc.
P. O. Box 657
Billings, MT 59103-0657

Department of the Treasury

P. O. Box 2508
Cincinnati, OH 45201

Person to Contact:

Sheena Wallace 31-04021
Customer Service Representative

Toll Free Telephone Number:

8:00 a.m. to 9:30 p.m. EST
877-829-5500

Fax Number:
513-263-3756

Federal Identification Number:
81-0382745

Dear Sir or Madam:

This letter is in response to your request for a copy of your organization's determination letter. This letter will take the place of the copy you requested.

Our records indicate that a determination letter issued in August 1979 granted your organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in section 509(a)(1) and 170(b)(1)(A)(vi).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

-2-

Alternatives Inc.
81-0382745

Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

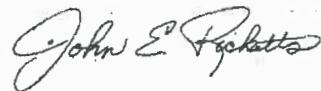
The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. If your organization had a copy of its application for recognition of exemption on July 15, 1987, it is also required to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. You can charge only a reasonable fee for reproduction and actual postage costs for the copied materials. The law does not require you to provide copies of public inspection documents that are widely available, such as by posting them on the Internet (World Wide Web). You may be liable for a penalty of \$20 a day for each day you do not make these documents available for public inspection (up to a maximum of \$10,000 in the case of an annual return).

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

This letter affirms your organization's exempt status.

Sincerely,



John E. Ricketts, Director, TE/GE
Customer Account Services



FINANCIAL REPORT

June 30, 2022 and 2021



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Alternatives, Inc.
Billings, Montana

Opinion

We have audited the accompanying financial statements of Alternatives, Inc. (a nonprofit 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 Alternatives, Inc. as of June 30, 2022 and 2021, and the changes in its net assets 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 Alternatives, 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 Alternatives, 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 Alternatives, 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 Alternatives, 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.

Anderson Zurmuehlen + Co, P.C.

Billings, Montana
December 15, 2022

FINANCIAL STATEMENTS

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

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 4,865,309	\$ 5,030,383
Accounts receivable, net	1,384,737	964,844
Prepaid expenses	72,699	50,708
Bond reserve funds, current portion	<u>522,898</u>	<u>520,000</u>
Total current assets	<u>6,845,643</u>	<u>6,565,935</u>
PROPERTY AND EQUIPMENT		
Land	1,626,165	1,626,165
Buildings and improvements	13,160,409	13,092,567
Furniture and equipment	1,692,989	1,641,419
Software	457,231	457,231
Construction in progress	<u>6,942</u>	<u>2,845</u>
	16,943,736	16,820,227
Less - accumulated depreciation	<u>(6,902,336)</u>	<u>(6,244,415)</u>
Total property and equipment, net	<u>10,041,400</u>	<u>10,575,812</u>
OTHER ASSETS		
Bond reserve funds, net of current portion	-	4,825
Total other assets	-	4,825
Total assets	<u>\$16,887,043</u>	<u>\$17,146,572</u>

The Notes to Financial Statements are an integral part of these statements.

ALTERNATIVES, INC.
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 645,450	\$ 628,103
Accounts payable	178,443	304,439
Resident account liability	750,087	602,282
Payroll taxes and benefits	340,804	399,747
Accrued wages	392,007	348,219
Pension contribution payable	234,296	213,077
Bond fund advance	2,800	2,800
Accrued interest payable	<u>18,577</u>	<u>22,445</u>
Total current liabilities	2,562,464	2,521,112
LONG-TERM LIABILITIES		
Long-term debt, net of current maturities and unamortized bond issuance costs	<u>3,287,347</u>	<u>3,926,298</u>
Total liabilities	5,849,811	6,447,410
NET ASSETS		
Without donor restrictions	<u>11,037,232</u>	<u>10,699,162</u>
Total liabilities and net assets	<u>\$16,887,043</u>	<u>\$17,146,572</u>

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

	<u>2022</u>	<u>2021</u>
SUPPORT AND REVENUE WITHOUT DONOR RESTRICTIONS		
Federal contracts	\$ 1,333,294	\$ 1,359,097
State contracts	8,988,365	9,449,526
County contracts	314,312	367,292
City contracts	2,000	2,000
Grants	151,618	114,444
Miscellaneous grants	105,147	388,489
Program fees	3,157,301	3,030,701
Interest income	858	283
TOM Software revenue	21,600	21,600
CAP income	800	350
Other income	<u>142,302</u>	<u>1,758,730</u>
Total support and revenue without donor restrictions	<u>14,217,597</u>	<u>16,492,512</u>
EXPENSES		
Program services:		
Alpha House - Men's pre-release	3,846,845	3,969,609
Jail Alternatives (Beta) - Yellowstone County	1,454,402	1,464,566
Stillwater County	96,019	97,606
Carbon County	105,941	107,523
Misdemeanor County	-	92,632
Misdemeanor City	-	168,084
Passages - Women's Pre-release	5,443,307	5,070,379
Compass	1,050,521	883,043
ETSS	<u>235,591</u>	-
Total program services	<u>12,232,626</u>	<u>11,853,442</u>
Supporting services:		
TOM Software	46,535	46,535
General and administrative	<u>1,600,366</u>	<u>1,795,372</u>
Total supporting services	<u>1,646,901</u>	<u>1,841,907</u>
Total expenses	<u>13,879,527</u>	<u>13,695,349</u>
Change in net assets without donor restrictions	338,070	2,797,163
Net assets without donor restrictions, beginning of year	<u>10,699,162</u>	<u>7,901,999</u>
Net assets without donor restrictions, end of year	<u>\$11,037,232</u>	<u>\$10,699,162</u>

The Notes to Financial Statements are an integral part of these statements.

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

	Alpha House	Beta Yellowstone County	Stillwater County	Carbon County	Passages	Compass	ETSS	Total Program	TOM Software	General & Administrative	Total Support	Total
Salaries and wages	\$ 1,967,727	\$ 540,650	\$ 51,087	\$ 50,142	\$ 2,973,958	\$ 702,274	\$ 96,372	\$ 6,382,210	\$ -	\$ 866,337	\$ 866,337	\$ 7,248,547
Benefits	370,275	103,547	9,743	10,529	511,115	117,060	14,620	1,136,889	-	151,254	151,254	1,288,143
Outside services	5,965	3,580	-	-	5,965	3,580	-	19,090	-	-	-	19,090
Resident/client services	170,856	588,901	26,934	32,301	210,672	21,339	123,642	1,174,645	-	-	-	1,174,645
Intercompany transfers	6,914	(11,473)	-	-	4,560	-	-	1	-	-	-	1
Food	474,146	(108)	-	-	476,502	(136)	(13)	950,391	-	2,733	2,733	953,124
Communications	27,953	14,446	3,104	3,922	19,195	7,894	1,203	77,717	-	5,417	5,417	83,134
Office supplies	86,765	9,824	1,231	586	125,562	10,910	1,160	236,038	-	7,899	7,899	243,937
Equipment lease	7,327	4,360	-	-	12,626	2,716	-	27,029	-	1,093	1,093	28,122
Travel	3,103	2,274	1,000	1,658	4,428	648	-	13,111	-	4,899	4,899	18,010
Repairs and maintenance	187,154	14,780	-	159	272,466	14,928	127	489,614	-	11,481	11,481	501,095
Bad debt	8,187	91,507	2,183	4,176	61,092	81,336	(2,662)	245,819	-	-	-	245,819
Property taxes	7,512	1,210	-	-	19,856	1,210	-	29,788	-	1,483	1,483	31,271
Utilities	117,222	10,269	-	-	165,698	10,269	-	303,458	-	34,778	34,778	338,236
Fleet	5,512	1,021	-	-	5,513	533	-	12,579	-	662	662	13,241
Employee	46,633	12,913	218	1,304	63,608	12,495	389	137,560	-	2,145	2,145	139,705
Other services	6,167	15,876	519	1,164	10,222	10,332	2	44,282	-	978	978	45,260
Insurance	-	-	-	-	996	-	166	1,162	-	316,444	316,444	317,606
Management	-	-	-	-	-	-	-	-	-	3,873	3,873	3,873
Bonding costs	-	-	-	-	-	-	-	-	-	3,923	3,923	3,923
Interest	2,503	-	-	-	68,938	23,038	-	94,479	-	35,393	35,393	129,872
Legal/consulting	-	-	-	-	125	-	500	625	-	26,611	26,611	27,236
Computer support	105,608	11,420	-	-	101,846	11,403	-	230,277	16,800	11,686	28,486	258,763
Audit/tax	-	-	-	-	6,750	-	-	6,750	-	26,878	26,878	33,628
Public relations	-	-	-	-	-	-	85	85	-	4,576	4,576	4,661
Administrative services	8,695	-	-	-	2,441	26	-	11,162	-	52,996	52,996	64,158
Miscellaneous grant expense	-	-	-	-	-	-	-	-	-	-	-	-
	3,616,224	1,414,997	96,019	105,941	5,124,134	1,031,855	235,591	11,624,761	16,800	1,573,539	1,590,339	13,215,100
Depreciation	230,621	39,405	-	-	319,173	18,666	-	607,865	29,735	20,321	50,056	657,921
Amortization	-	-	-	-	-	-	-	-	-	6,506	6,506	6,506
Total	\$ 3,846,845	\$ 1,454,402	\$ 96,019	\$ 105,941	\$ 5,443,307	\$ 1,050,521	\$ 235,591	\$ 12,232,626	\$ 46,535	\$ 1,600,366	\$ 1,646,901	\$ 13,879,527

The Notes to Financial Statements are an integral part of this statement.

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

	Alpha House	Beta Yellowstone County	Stillwater County	Carbon County	Misdemeanor County	Misdemeanor City	Passages	Compass	Total Program	TOM Software	General & Administrative	Total Support	Total
Salaries and wages	\$ 2,007,036	\$ 445,076	\$ 50,714	\$ 47,905	\$ 71,147	\$ 116,478	\$ 2,646,104	\$ 597,196	\$ 5,981,656	\$ -	\$ 980,133	\$ 980,133	\$ 6,961,789
Benefits	395,823	92,349	12,876	10,909	13,789	32,742	507,708	113,893	1,180,089	-	182,766	182,766	1,362,855
Outside services	7,589	746	18	17	4	4	12,238	843	21,459	-	11,730	11,730	33,189
Resident/client services	143,662	609,129	21,636	33,297	-	-	210,657	20,523	1,038,904	-	848	848	1,039,752
Intercompany transfers	4,745	(8,453)	5,468	4,760	-	-	3,707	(10,227)	-	-	-	-	-
Food	390,683	(7)	-	-	-	-	380,270	(9)	770,937	-	246	246	771,183
Communications	29,935	13,643	3,130	3,947	-	40	31,997	7,340	90,032	-	3,485	3,485	93,517
Office supplies	69,196	33,311	1,081	330	-	-	75,986	11,849	191,753	-	3,894	3,894	195,647
Equipment lease	7,120	5,908	-	-	-	-	10,538	2,613	26,179	-	1,026	1,026	27,205
Travel	892	(2,274)	1,127	1,410	-	-	980	171	2,306	-	1,734	1,734	4,040
Repairs and maintenance	189,354	19,439	-	-	-	-	211,464	16,370	436,627	-	7,625	7,625	444,252
Bad debt	6,728	204,081	75	3,241	5,443	17,302	18,431	11,599	266,900	-	12,967	12,967	279,867
Property taxes	7,664	1,160	-	-	-	-	12,825	1,160	22,809	-	1,099	1,099	23,908
Utilities	115,466	9,207	-	-	-	-	166,378	9,207	300,258	-	24,978	24,978	325,236
Fleet	4,152	525	-	-	-	553	4,098	525	9,853	-	489	489	10,342
Employee	57,774	28,624	552	272	-	-	62,594	11,201	161,017	-	2,644	2,644	163,661
Other services	(21,672)	12,090	282	1,024	249	965	(18,205)	10,945	(14,322)	-	1,253	1,253	(13,069)
Insurance	-	12	-	-	-	-	74	-	86	-	300,172	300,172	300,258
Management	-	-	-	-	-	-	4,705	-	4,705	-	-	-	4,705
Bonding costs	-	-	-	-	-	-	-	-	-	-	4,775	4,775	4,775
Interest	10,565	-	-	-	-	-	91,481	24,797	126,843	-	46,133	46,133	172,976
Legal/consulting	-	-	-	-	-	-	50	-	50	-	24,595	24,595	24,645
Computer support	86,319	-	-	-	-	-	83,437	9,682	179,438	16,800	18,537	35,337	214,775
Audit/tax	-	-	-	-	-	-	-	-	-	-	30,020	30,020	30,020
Public relations	-	-	-	-	-	-	-	-	-	-	10,429	10,429	10,429
Administrative services	8,522	-	-	-	-	-	2,208	-	10,730	-	53,884	53,884	64,614
Miscellaneous grant expense	209,012	-	-	-	-	-	218,570	24,286	451,868	-	24,286	24,286	476,154
	3,730,565	1,464,566	96,959	107,112	90,632	168,084	4,738,295	863,964	11,260,177	16,800	1,749,748	1,766,548	13,026,725
Depreciation	239,044	-	647	411	2,000	-	332,084	19,079	593,265	29,735	45,624	75,359	668,624
Total	\$ 3,969,609	\$ 1,464,566	\$ 97,606	\$ 107,523	\$ 92,632	\$ 168,084	\$ 5,070,379	\$ 883,043	\$ 11,853,442	\$ 46,535	\$ 1,795,372	\$ 1,841,907	\$ 13,695,349

The Notes to Financial Statements are an integral part of this statement.

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

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 338,070	\$ 2,797,163
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	657,921	668,624
Amortization of bond issuance costs to interest expense	6,506	6,506
Gain on disposal of assets	-	(115,986)
Forgiveness of PPP loan	-	(1,546,480)
Changes in operating assets and liabilities:		
Accounts receivable, net	(419,893)	264,159
Prepaid expenses	(21,991)	17,422
Accounts payable	(125,996)	26,005
Resident account liability	147,805	106,014
Payroll taxes and benefits	(58,943)	(4,561)
Accrued wages	43,788	469
Pension contribution payable	21,219	(16,754)
Bond fund advance	-	2,800
Accrued interest payable	(3,868)	(7,244)
Deferred revenue	-	(10,000)
Net cash flows from operating activities	<u>584,618</u>	<u>2,188,137</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(123,509)	(275,290)
Proceeds from sale of assets	-	340,300
Decrease in bond reserve fund	<u>1,927</u>	<u>(1,875)</u>
Net cash flows from investing activities	<u>(121,582)</u>	<u>63,135</u>

ALTERNATIVES, INC.
STATEMENTS OF CASH FLOWS (CONTINUED)
Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt	(628,110)	(923,684)
Proceeds from long-term debt	<u>-</u>	<u>169,991</u>
Net cash flows from financing activities	<u>(628,110)</u>	<u>(753,693)</u>
Net change in cash	(165,074)	1,497,579
Cash and restricted cash, beginning of year	<u>5,030,383</u>	<u>3,532,804</u>
Cash and restricted cash, end of year	<u>\$ 4,865,309</u>	<u>\$ 5,030,383</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid during the year for interest	<u>\$ 133,740</u>	<u>\$ 180,220</u>
Purchase of property through issuance of long-term debt	<u>\$ _____ -</u>	<u>\$ 18,922</u>

ALTERNATIVES, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Alternatives, Inc. (the Organization) is authorized to provide rehabilitative and other services to public offenders.

The Alpha House and Passages are pre-release and treatment centers for offenders from the Montana Department of Corrections and the Federal Bureau of Prisons. The programs provide rehabilitation services for men and women to assist in integrating the offenders into society.

Jail Alternatives (Beta) and Misdemeanor programs provide rehabilitative and supervision services to Yellowstone, Stillwater, and Carbon counties for local and community offenders.

The Compass program provides short-term residential treatment, outpatient drug and alcohol counseling, and other educational programs for residents of Alpha House and Passages, local courts in Yellowstone, Stillwater, and Carbon County, the Department of Health and Human Services Child and Family Services, the United States Probation Office, Billings Probation and Parole, and self-admitted referrals.

Basis of Accounting

The accompanying statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP), as codified by the Financial Accounting Standards Board (FASB).

Classification of Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets (net assets without donor restrictions and net assets with donor restrictions) based upon the existence or absence of donor-imposed restrictions. As of June 30, 2022 and 2021, the Organization had only net assets without donor restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

ALTERNATIVES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash Equivalents

For purposes of preparing the statements of financial position and cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. As of June 30, 2022 and 2021, there are no cash equivalents.

Property and Equipment

Property and equipment acquisitions in excess of \$2,500 are capitalized and recorded at cost or, if donated, at fair value at the date of receipt. Depreciation is provided over the estimated useful life of each depreciable asset, which ranges from 5 to 40 years, and is calculated using the straight-line depreciation method.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Concentration of Credit Risk

The Organization's financial instruments subject to credit risk are primarily receivables and cash and cash equivalents. At June 30, 2022 and 2021, receivables were due from federal, state, and local governmental authorities for fees for services rendered. Receivables generally are due in 30 to 60 days.

The Organization's cash is deposited in various checking accounts in which FDIC coverage is limited to \$250,000 per account holder. At June 30, 2022 and 2021, the balance of these deposits was in excess of federally insured limits by approximately \$4,460,191 and \$4,391,858, respectively.

Receivables and Credit Policies

Contract services receivables are uncollateralized third-party obligations due under contract terms requiring payment within 30 days from the invoice date. Client and other receivables are uncollateralized obligations due from program residents, program clients, and other third parties. These receivables are due within 30 to 60 days from the date of service or invoice date. Management records client and other receivables at the amount expected to be collected. An estimated allowance for doubtful accounts is provided based on historical experience and management's evaluation of outstanding receivables.

Payments of receivables are allocated to the specific invoices identified on the remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

ALTERNATIVES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Most of the Organization's revenues are recognized primarily under fee-for-service contracts with county, state, and federal agencies. The Organization charges these agencies agreed upon fees for various services rendered, and revenue is recognized as the services are provided to clients who are placed in the Organization's programs and facilities by various agencies. The transaction price for a contract represents the amount of consideration the Organization expects to be entitled in exchange for the promised services in the contract. The consideration in the contract may be fixed, variable, or both, in nature.

The Organization also recognizes revenue from various programs utilized by the clients such as room and board, supervision and monitoring, detention services, classes, and assessments. Revenues from program fees are recognized when incurred.

Grant revenue is recognized in the period the award is received.

Bond Reserve Funds

Bond Reserve Funds consist of cash and U.S. Treasury obligations held in trust under the terms of an indenture agreement and are recorded at fair value, which approximates cost.

Advertising

Advertising costs are expensed as incurred. Advertising costs charged to the statements of activities for the years ended June 30, 2022 and 2021, were \$2,670 and \$3,346, respectively.

Functional Allocation of Expenses

The costs of program and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services using an appropriate basis that is consistently applied. Indirect expenses have been allocated to program and supporting services based on relative utilization in the statements of functional expenses. Such allocations are determined by management.

Income Taxes

The Organization is a Montana based, non-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the Organization is not required to pay income taxes.

Subsequent Events

Subsequent events have been evaluated through December 15, 2022, the date which the financial statements were available for issue.

ALTERNATIVES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

NOTE 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures include only those without donor or other restrictions limiting their use within one year of the statement of financial position date. The following reflects the Organization's financial assets as of June 30, 2022 and 2021, net of amounts not available for general use within one year of the statement of financial position date due to contractual or donor-imposed restrictions.

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash	\$ 4,865,309	\$ 5,030,383
Accounts receivable, net	<u>1,384,737</u>	<u>964,844</u>
Total financial assets	<u>6,250,046</u>	<u>5,995,227</u>
Less - financial assets unavailable for general expenditures:		
Resident accounts	<u>(750,087)</u>	<u>(602,282)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,499,959</u>	<u>\$ 5,392,945</u>

The Organization monitors cash available to fund general expenditures throughout the year. The Organization manages its liquidity and reserves with the following guiding principles: operating within a prudent range of financial soundness and stability, documenting when authorized payments become due, and maintaining adequate liquid assets and reserves to fund operating needs. The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, the Organization has a \$600,000 line of credit available to meet cash flow needs.

NOTE 3. CASH

Cash balances for the years ended June 30, 2022 and 2021, were as follows:

	<u>2022</u>	<u>2021</u>
Petty cash	\$ 5,652	\$ 9,515
Checking	<u>4,859,657</u>	<u>5,020,868</u>
	<u><u>\$ 4,865,309</u></u>	<u><u>\$ 5,030,383</u></u>

Included in the checking cash balance above are amounts held by the Organization as custodian for the residents, which is offset with the resident account liability. These funds totaled \$750,087 and \$602,282 at June 30, 2022 and 2021, respectively.

ALTERNATIVES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

NOTE 4. ACCOUNTS RECEIVABLE

At June 30, 2022 and 2021, accounts receivable consisted of the following:

	<u>2022</u>	<u>2021</u>
Contract services	\$ 1,183,573	\$ 741,960
Client and other	<u>205,885</u>	<u>228,166</u>
	1,389,458	970,126
Less - allowance for doubtful accounts	<u>(4,721)</u>	<u>(5,282)</u>
	<u>\$ 1,384,737</u>	<u>\$ 964,844</u>

NOTE 5. PROPERTY AND EQUIPMENT

At June 30, 2022 and 2021, property and equipment consisted of the following:

	<u>2022</u>	<u>2021</u>
Alpha House:		
Land	\$ 256,165	\$ 256,165
Building and improvements	4,801,925	4,797,434
Furniture and equipment	441,007	421,983
Vehicles	<u>113,392</u>	<u>113,391</u>
	5,612,489	5,588,973
Less - accumulated depreciation	<u>(2,765,201)</u>	<u>(2,538,974)</u>
	<u>2,847,288</u>	<u>3,049,999</u>
Passages:		
Land	1,370,000	1,370,000
Building and improvements	7,682,362	7,619,009
Furniture and equipment	617,694	586,711
Vehicles	<u>113,392</u>	<u>113,392</u>
	9,783,448	9,689,112
Less - accumulated depreciation	<u>(3,272,716)</u>	<u>(2,943,825)</u>
	<u>6,510,732</u>	<u>6,745,287</u>

ALTERNATIVES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

NOTE 5. PROPERTY AND EQUIPMENT (CONTINUED)

	<u>2022</u>	<u>2021</u>
Jail Alternatives:		
Building and improvements	259,750	259,750
Furniture and equipment	345,554	344,775
Vehicles	<u>26,680</u>	<u>26,680</u>
	631,984	631,205
Less - accumulated depreciation	<u>(349,417)</u>	<u>(310,499)</u>
	<u>282,567</u>	<u>320,706</u>
Compass:		
Building and improvements	259,750	259,750
Furniture and equipment	21,929	21,148
Vehicles	<u>13,340</u>	<u>13,340</u>
	295,019	294,238
Less - accumulated depreciation	<u>(52,694)</u>	<u>(34,516)</u>
	<u>242,325</u>	<u>259,722</u>
Old Beta Building:		
Building and improvements	156,623	156,623
Less - accumulated depreciation	<u>(81,403)</u>	<u>(75,195)</u>
	<u>75,220</u>	<u>81,428</u>
Software:		
TOM Software	457,231	457,231
Less - accumulated depreciation	<u>(380,905)</u>	<u>(341,406)</u>
	<u>76,326</u>	<u>115,825</u>
Construction in progress	<u>6,942</u>	<u>2,845</u>
Total fixed assets	16,943,736	16,820,227
Less - accumulated depreciation	<u>(6,902,336)</u>	<u>(6,244,415)</u>
Total fixed assets, net	<u>\$10,041,400</u>	<u>\$10,575,812</u>

Included in fixed assets are the costs incurred in the production of custom software for the Total Offender Management (TOM) program. Costs totaled \$457,231 and \$457,231 as of June 30, 2022 and 2021, respectively. The amount amortized and included in depreciation expense for the years ended June 30, 2022 and 2021, was \$39,499 and \$44,581, respectively.

ALTERNATIVES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

NOTE 6. OTHER ASSETS – BOND RESERVE FUNDS

The bond reserve funds consist of funds held by a bond trustee under the terms of an indenture agreement for partial future payments of principal and interest. These assets consist of the following as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash	\$ 522,898	\$ 524,825
Less - current portion	<u>(522,898)</u>	<u>(520,000)</u>
	<u><u>\$ -</u></u>	<u><u>\$ 4,825</u></u>

Withdrawals may be made at any time, provided the withdrawal is permitted by the terms of the trust indenture agreement.

NOTE 7. LINE OF CREDIT

The Organization has a \$600,000 variable rate revolving line of credit with a current interest rate of 4.50% expiring April 1, 2023. As of June 30, 2022 and 2021, the Organization had no borrowings against the line of credit.

NOTE 8. LONG-TERM DEBT

At June 30, 2022 and 2021, long-term debt consisted of the following:

	<u>2022</u>	<u>2021</u>
\$5,145,000 Montana Facility Finance Authority loan supporting Montana Facility Finance Authority Pre-release Center Revenue Refunding Bonds (Alternatives, Inc. Project) Series 2015 due in annual principal installments October 1, 2016 through October 1, 2025; increasing installments of principal amounts of \$450,000 to \$585,000; interest due in semi-annual installments at interest rate of 2.875%; secured by substantially all assets.	\$ 2,245,000	\$ 2,765,000
Note payable due in monthly installments of \$1,627 at 2.35% interest, maturing May 15, 2026; secured by apartment buildings. Note includes covenants which have been met.	72,963	90,542

ALTERNATIVES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

NOTE 8. LONG-TERM DEBT (CONTINUED)

	<u>2022</u>	<u>2021</u>
Note payable due in monthly installments of \$1,944 at 4.78% interest, maturing September 15, 2027; secured by house. Note includes covenants which have been met.	252,195	263,179
Note payable due in monthly installments of \$352 at 1.12% interest, maturing August 3, 2023; secured by tractor.	4,898	9,045
Note payable due in monthly installments of \$311 at 5.99% interest, maturing August 28, 2021; secured by vehicle.	-	618
Note payable due in monthly installments of \$197 at 5.99% interest, maturing August 28, 2021; secured by vehicle.	-	391
Note payable due in monthly installments of \$327 at 5.99% interest, maturing August 28, 2021; secured by vehicle.	-	648
Note payable due in monthly installments of \$424 at 5.99% interest, maturing July 26, 2022; secured by vehicle.	424	5,330
Note payable due in monthly installments of \$557 at 5.74% interest, maturing August 27, 2023; secured by vehicle.	7,534	13,600
Note payable due in monthly installments of \$332 at 3.59% interest, maturing November, 2023; secured by vehicle.	5,501	9,220
Note payable due in monthly installments of \$224 at 3.59% interest, maturing November, 2023; secured by vehicle.	3,702	6,204
Note payable due in monthly installments of \$8,553 at 3.31% interest, maturing December 15, 2039; secured by building. Note includes covenants which have been met.	<u>1,361,726</u>	<u>1,418,276</u>
Less - current maturities	3,953,943	4,582,053
Less - unamortized bond issuance costs	(645,450)	(628,103)
Total long-term debt, less current maturities and unamortized bond issuance costs	<u><u>\$ 3,287,347</u></u>	<u><u>\$ 3,926,298</u></u>

ALTERNATIVES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

NOTE 8. LONG-TERM DEBT (CONTINUED)

Future maturities of long-term debt are as follows:

<u>Year Ended June 30,</u>	
2023	\$ 645,450
2024	645,339
2025	663,971
2026	680,512
2027	80,645
Thereafter	<u>1,238,026</u>
	<u><u>\$ 3,953,943</u></u>

Amortization of the bond issuance costs charged to interest expense was \$6,506 and \$6,506, for the years ended June 30, 2022 and 2021, respectively.

The loan agreement with the Montana Health Facility Authority related to the Pre-release Center Revenue Bonds (Alternatives, Inc. Project) Series 1997 was refinanced under a new agreement in September 2015. Under the terms of the new loan agreement related to the Pre-release Center Revenue Refunding Bond (Alternatives, Inc. Project) Series 2015, the Organization is required to maintain certain deposits with a trustee. Such deposits are included in assets limited as to use as discussed in Note 6 to the financial statements. The loan agreement requires the Organization to satisfy certain measures of operations and financial performance, including a covenant that Passages net revenue and funds available for debt service must equal at least 115% of the debt service requirement in any fiscal year. The contract states that any shortfall of this calculation will be covered by the Montana Department of Corrections.

NOTE 9. RETIREMENT PLAN

The Organization has a 401(k) defined contribution profit sharing plan, which covers substantially all qualifying employees who have completed a year of service and are age 18 or older. Eligible employees may contribute a portion of their compensation to the plan on a pre-tax basis as an elective deferral up to the maximum dollar amount as determined by the Internal Revenue Service.

The Organization may make a discretionary, non-elective employer contribution to the plan each year. In order to receive an allocation of the employer's annual contribution, employees must be employed on the last day of the plan year and be credited with 1,000 hours of service during the plan year.

ALTERNATIVES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

NOTE 9. RETIREMENT PLAN (CONTINUED)

The amount of annual employer contribution to the plan is designated at the amount management deems advisable for any given year. The amount charged to retirement expense for the years ended June 30, 2022 and 2021, was \$234,001 and \$213,077, respectively.

NOTE 10. MAJOR SOURCES OF REVENUE AND SUPPORT

The Organization has contracts for the Alpha House and Passages clients who are placed in the facilities by the State Department of Corrections, the Federal Bureau of Prisons, and the U.S. Probation Office. The Organization charged these agencies for services rendered as follows:

	<u>2022</u>	<u>2021</u>
Federal contracts:		
Federal Bureau of Prisons	\$ 1,087,333	\$ 1,086,016
United States Probation Office	245,961	273,081
Total federal contracts	<u>\$ 1,333,294</u>	<u>\$ 1,359,097</u>
State contracts:		
Department of Corrections	<u>\$ 8,988,365</u>	<u>\$ 9,449,526</u>
County contracts:		
Yellowstone	\$ 233,572	\$ 289,588
Stillwater	44,740	41,704
Carbon	36,000	36,000
Total county contracts	<u>\$ 314,312</u>	<u>\$ 367,292</u>

NOTE 11. LEASES

The Organization leases certain office equipment. Total operating lease expense for the years ended June 30, 2022 and 2021, was \$28,121 and \$27,206, respectively. The future minimum operating lease payments are as follows:

<u>Year Ended June 30,</u>	
2023	\$ 16,720
2024	1,986
2025	990
	<u>\$ 19,696</u>

ALTERNATIVES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2022 and 2021

NOTE 12. GAIN ON EXTINGUISHMENT OF DEBT

In fiscal year 2020, Alternatives, Inc. received a Paycheck Protection Program (PPP) loan in the amount of \$1,546,480 granted by the Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Alternatives, Inc. applied for forgiveness, with inclusion of compliance substantiation and certification therein, and was notified on April 7, 2021 that \$1,546,480 in eligible expenditures for payroll and other expenses described in the CARES Act and accrued interest had been forgiven. Loan forgiveness is reflected in *Other Income* within the accompanying statements of activities.

NOTE 13. RISKS AND UNCERTAINTIES

The COVID-19 outbreak in the United States has caused business disruption to the Organization. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the disruption. Therefore, the Organization expects this matter could negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time. Management is carefully monitoring the situation as it continues to evolve.



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Alternatives, Inc.

Organizational Chart

Board of Directors

Officers of the Corporation Chart 2

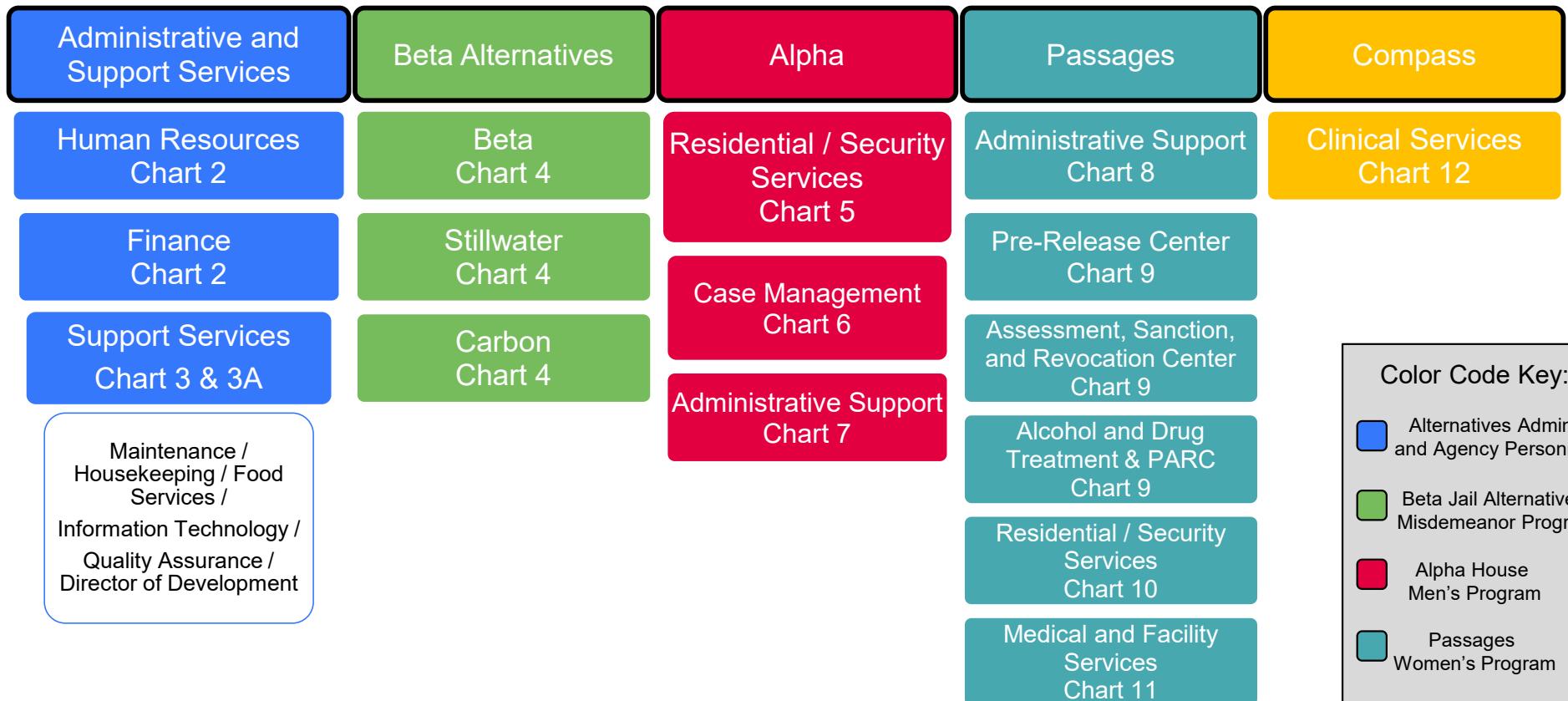


Chart 1: Programs & Departments
May 2023

Alternatives, Inc.

Organizational Chart

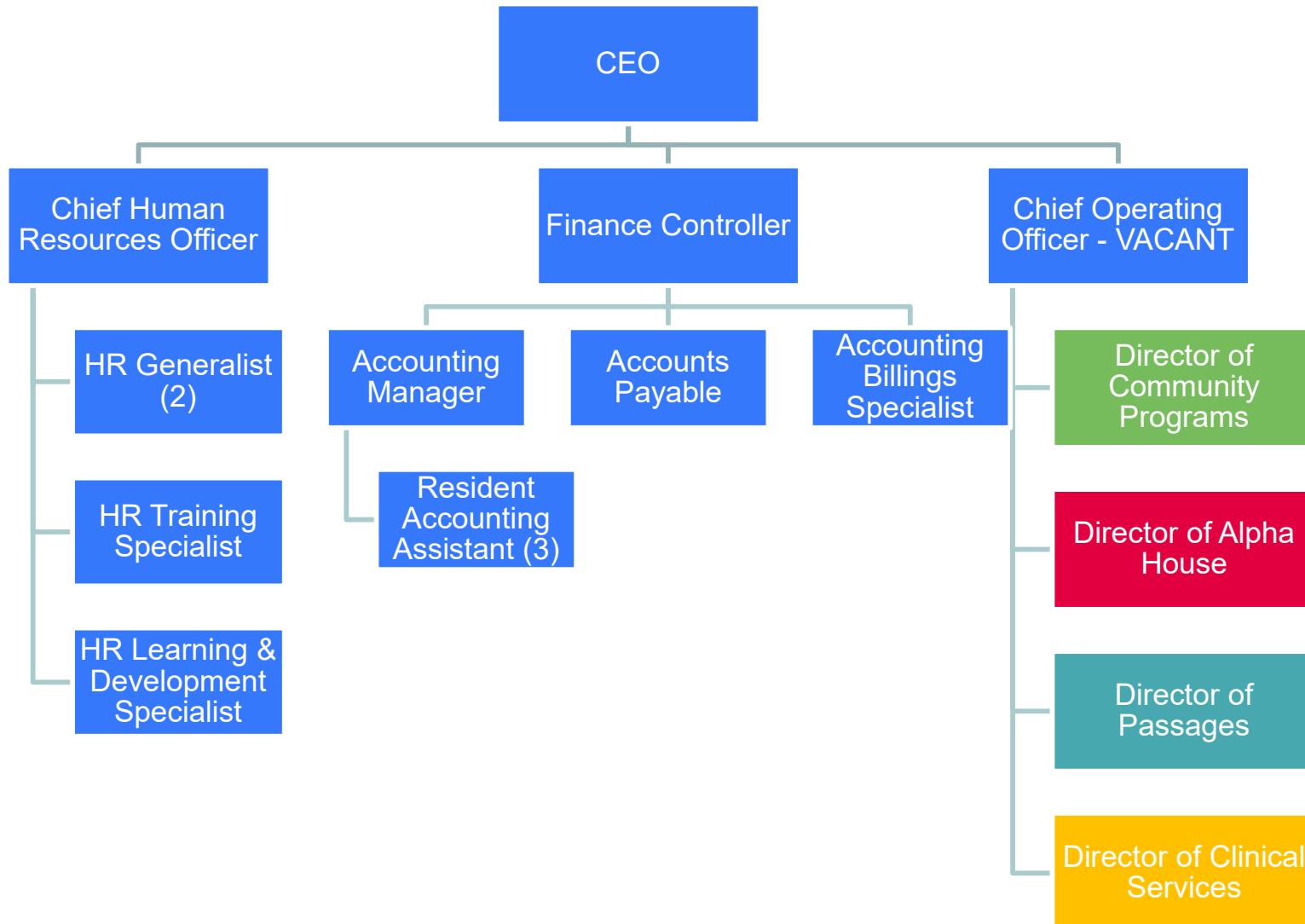


Chart 2: Officers of Corporation

May 2023

Alternatives, Inc.

Organizational Chart

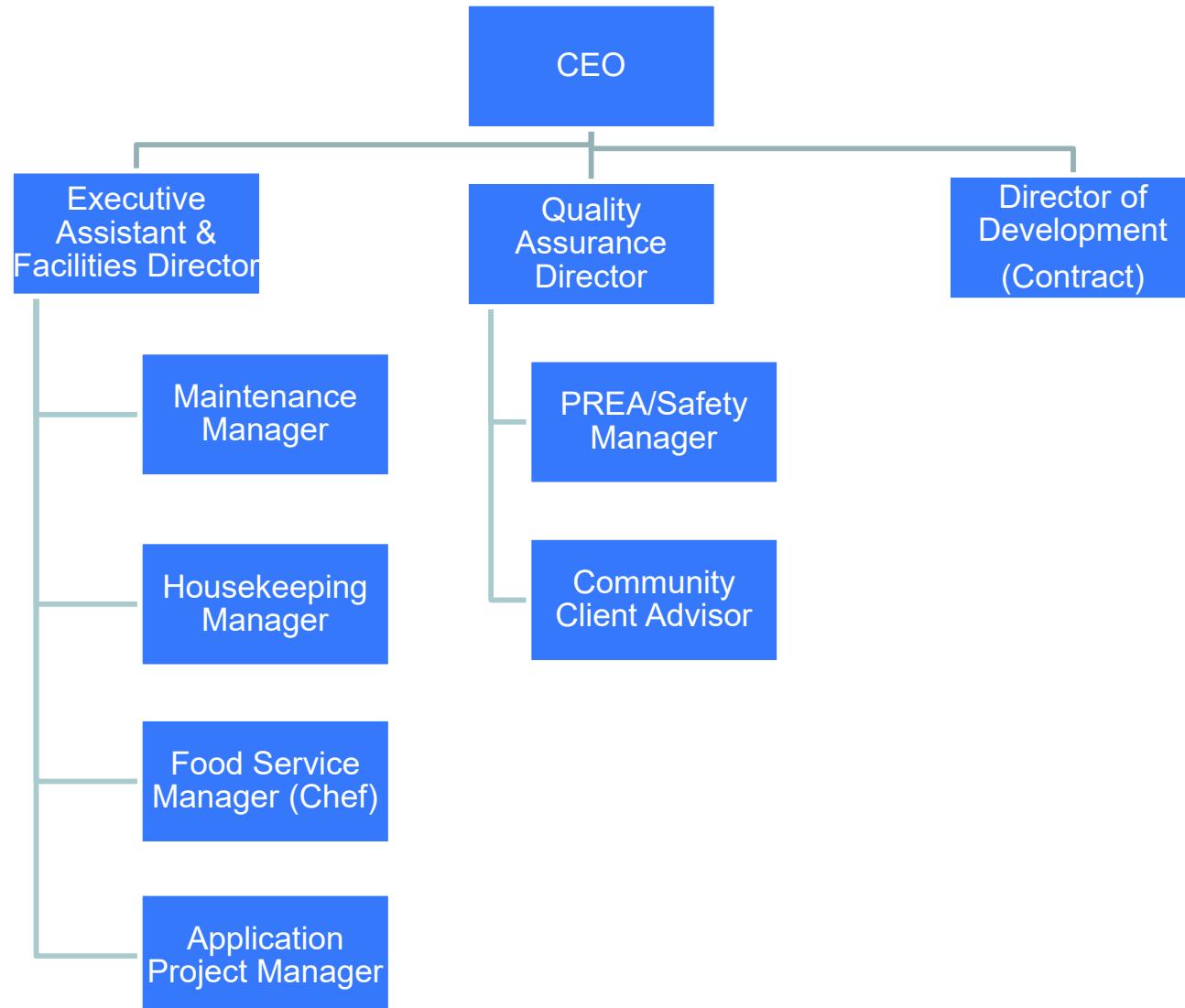


Chart 3: Support Services
May 2023

Alternatives, Inc.

Organizational Chart

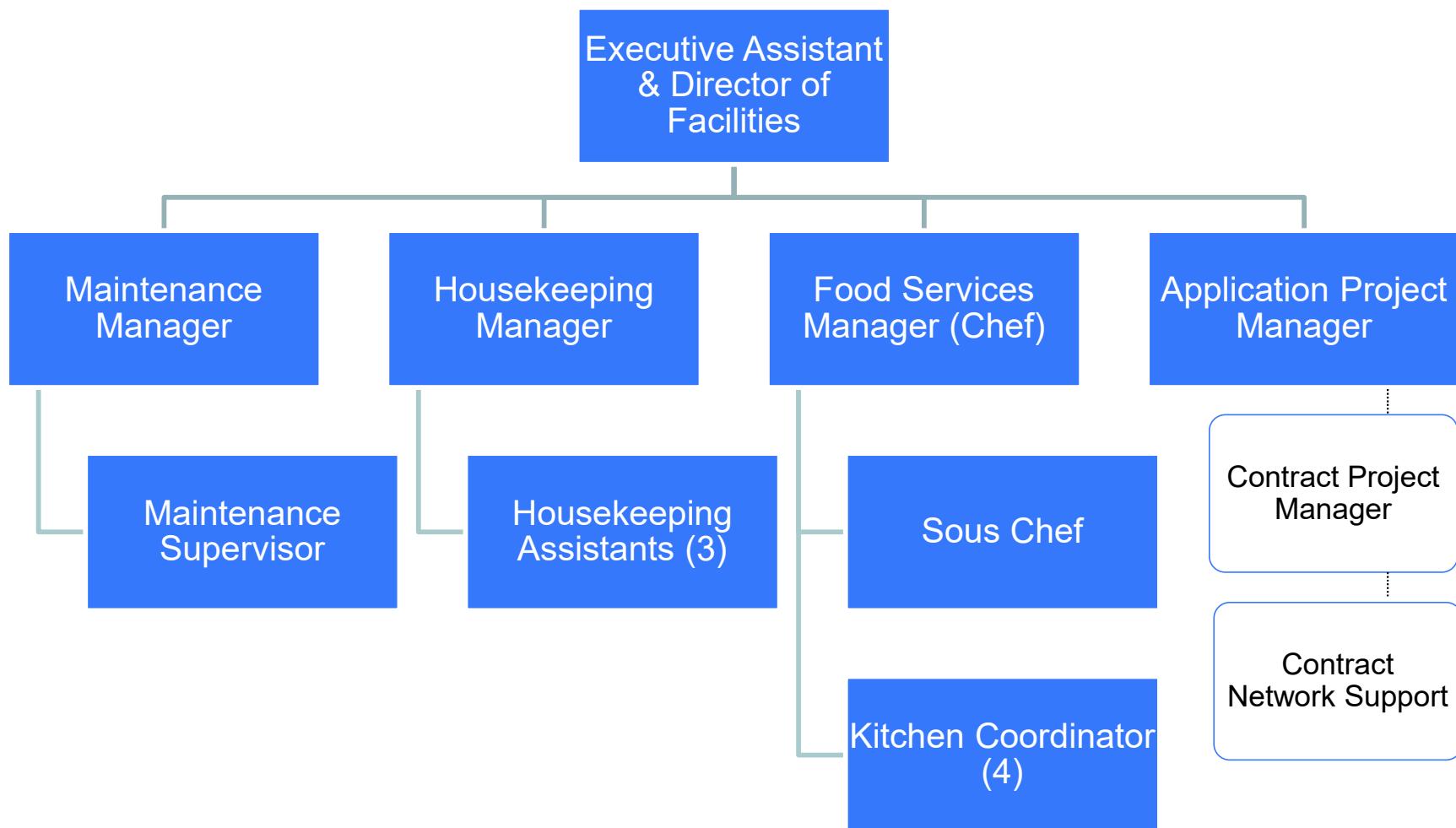


Chart 3A: Maintenance, Housekeeping, Food Services and Information Technology

May 2023

Beta Alternatives Organizational Chart

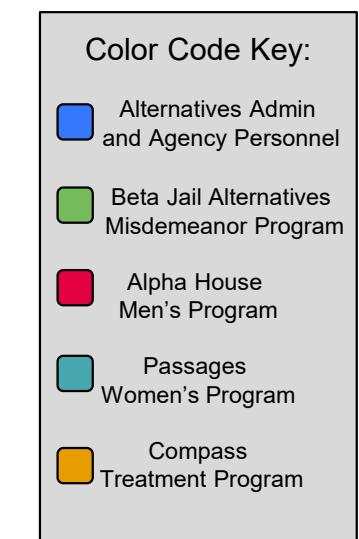
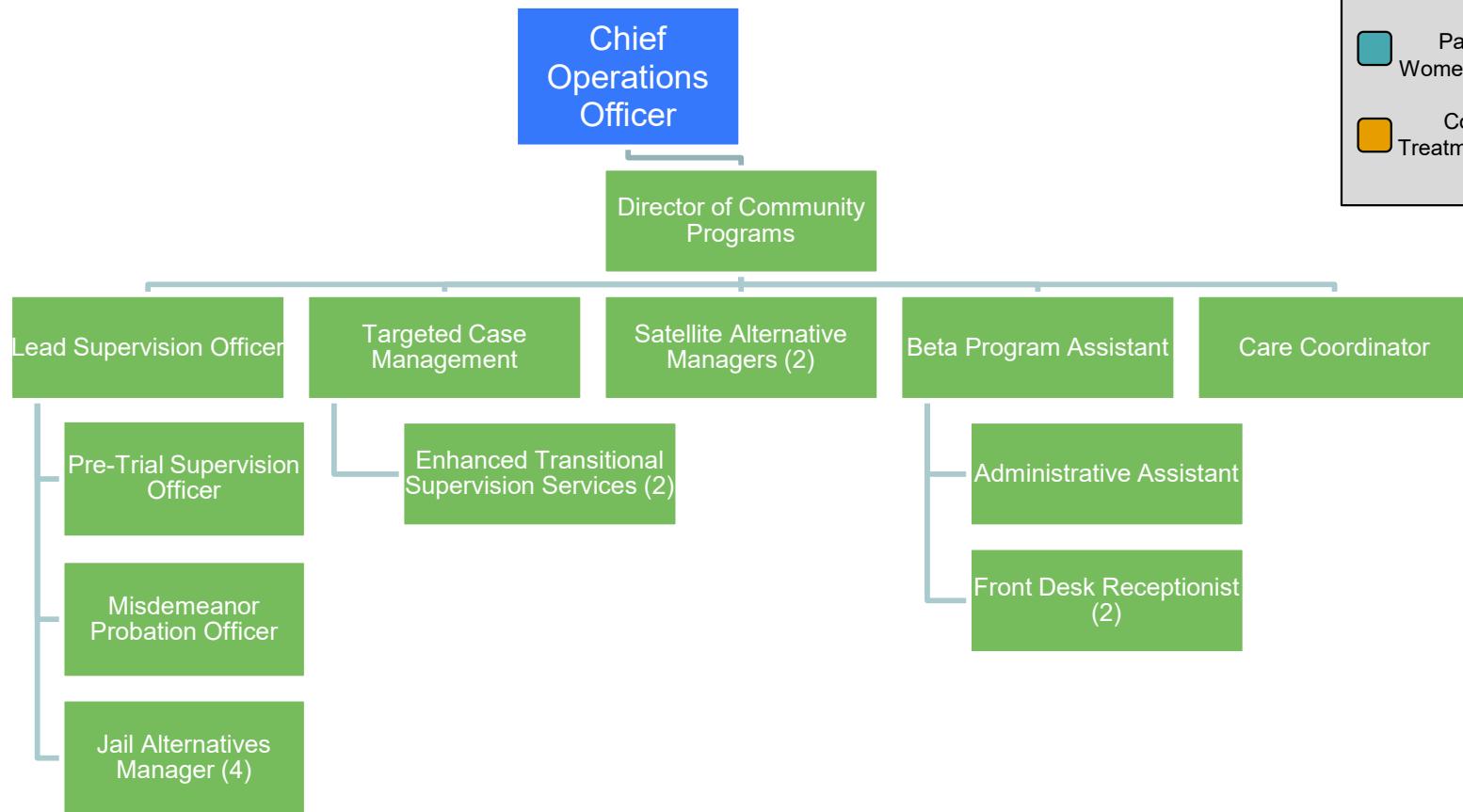


Chart 4: Beta Alternatives (Jail Alternatives)

Alpha Organizational Chart

Color Code Key:	
Alternatives Admin and Agency Personnel	Alternatives Admin and Agency Personnel
Beta Jail Alternatives Misdemeanor Program	Beta Jail Alternatives Misdemeanor Program
Alpha House Men's Program	Alpha House Men's Program
Passages Women's Program	Passages Women's Program
Compass Treatment Program	Compass Treatment Program

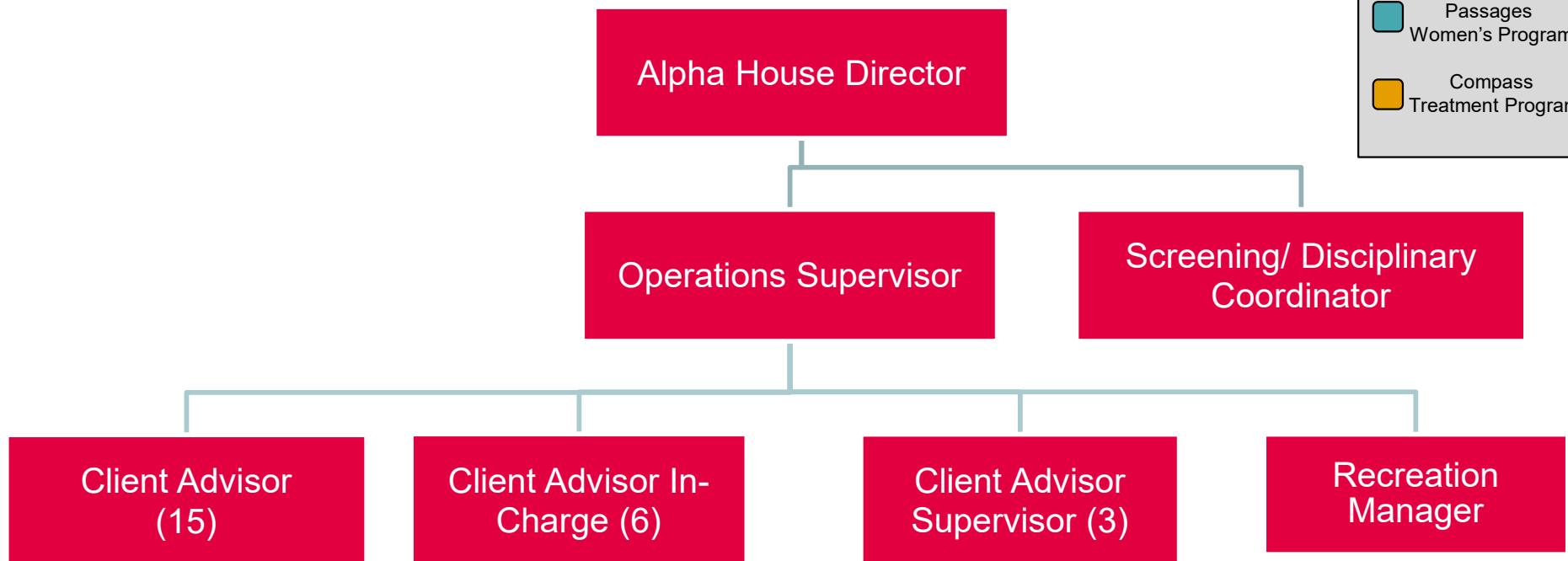


Chart 5: Residential / Security Services

Alpha Organizational Chart

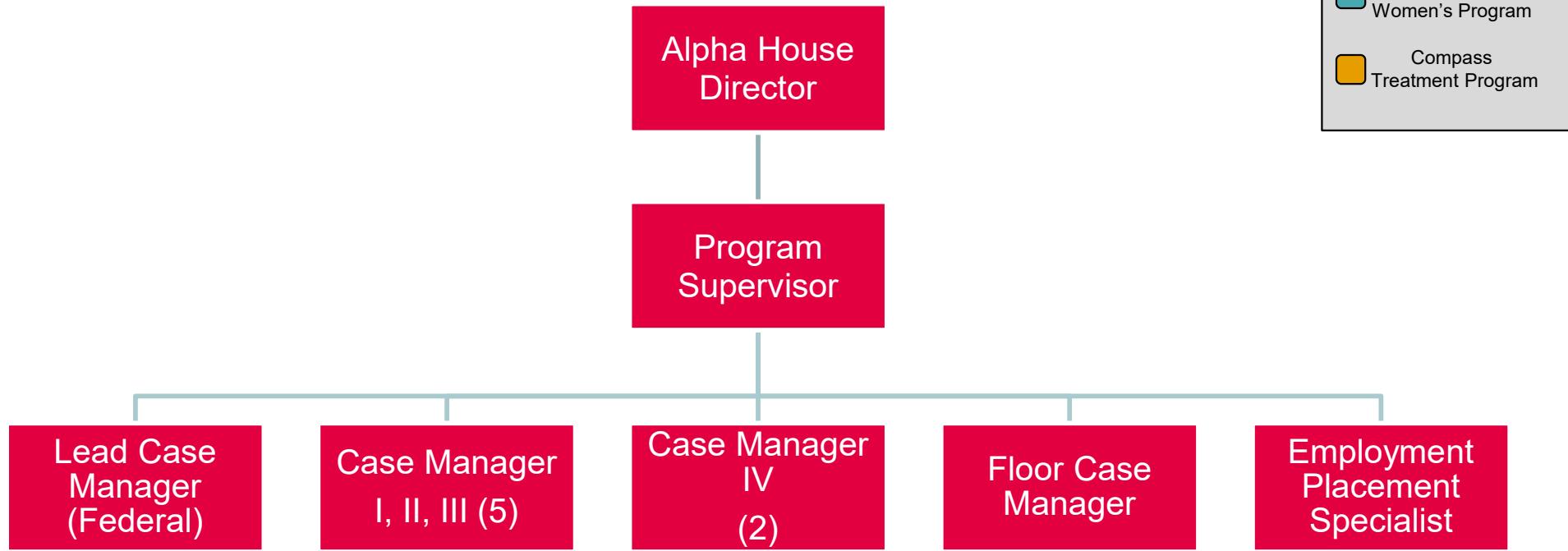


Chart 6: Case Management

May 2023

Alpha Organizational Chart

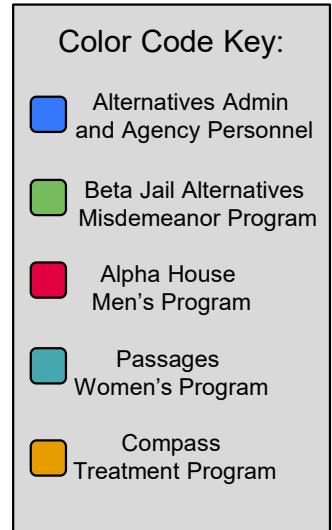
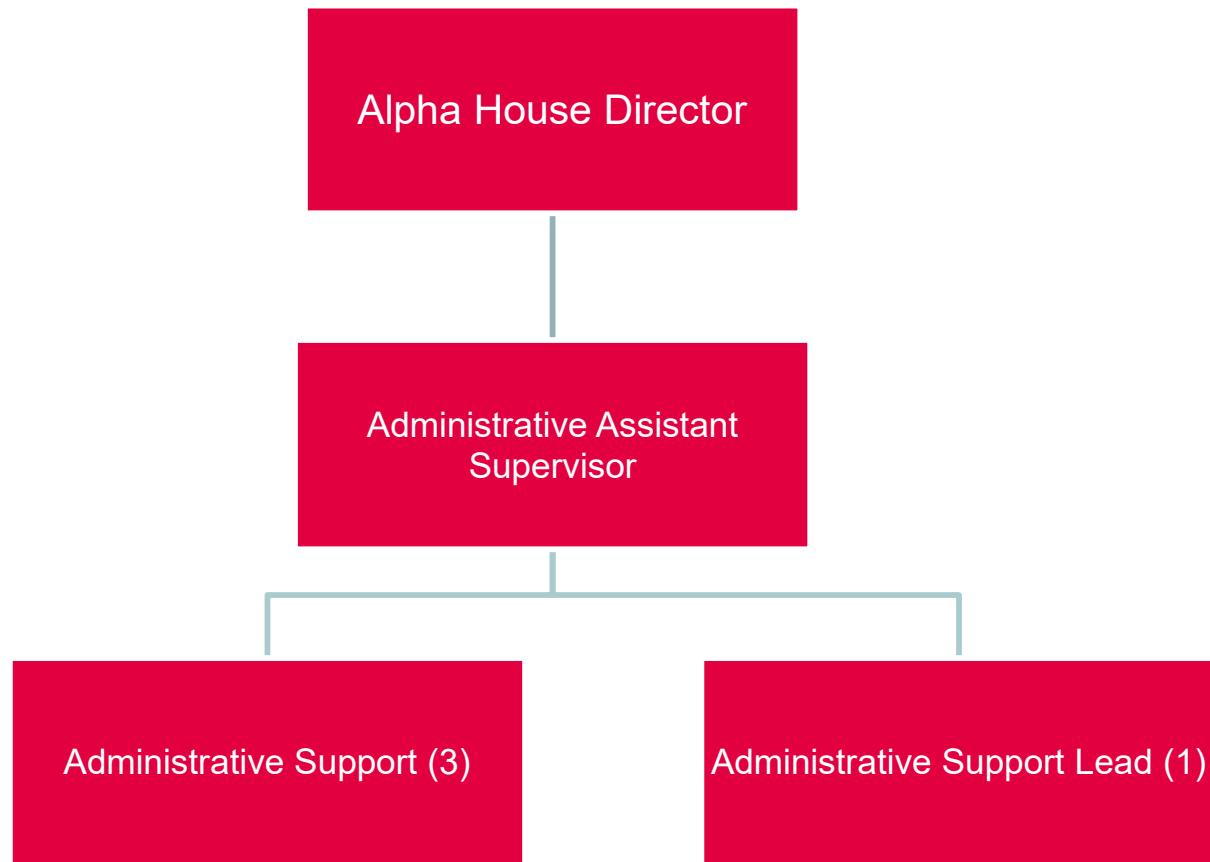


Chart 7: Administrative Support

May 2023

Passages

Organizational Chart

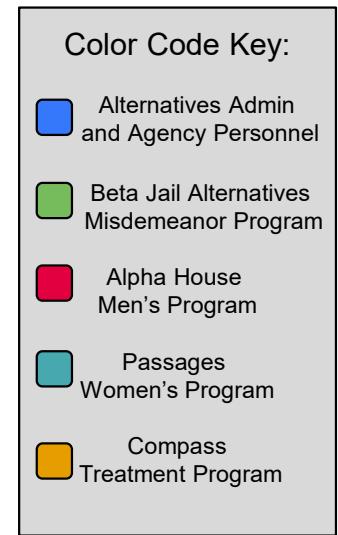
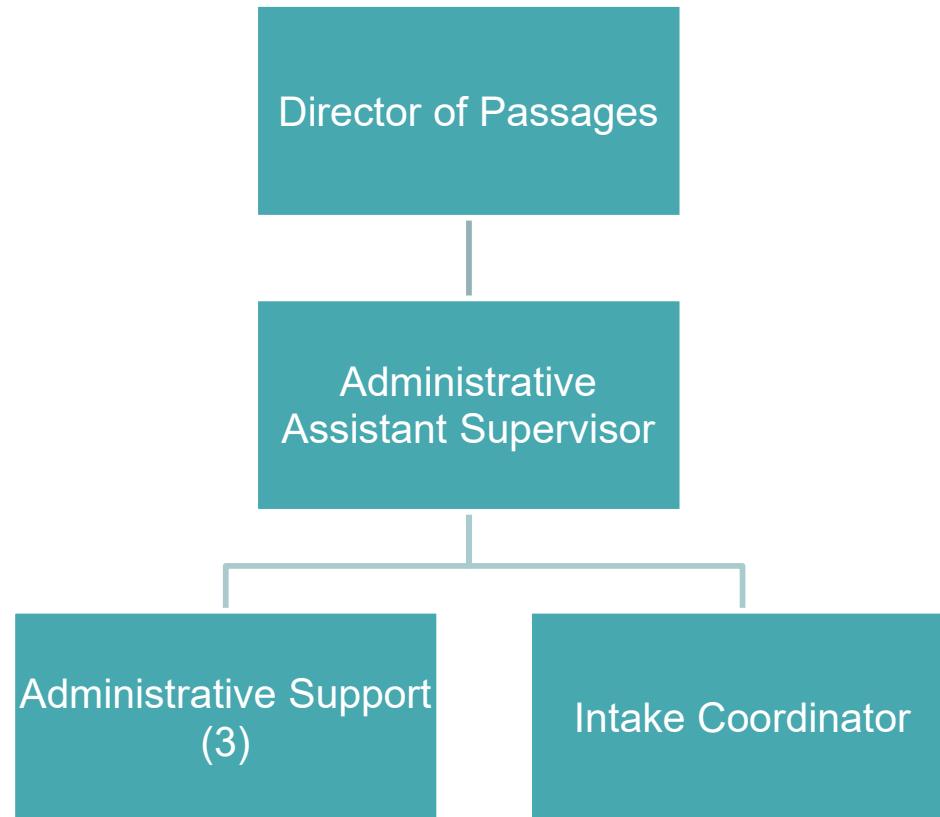


Chart 8: Administrative Support

May 2023

Passages Organizational Chart

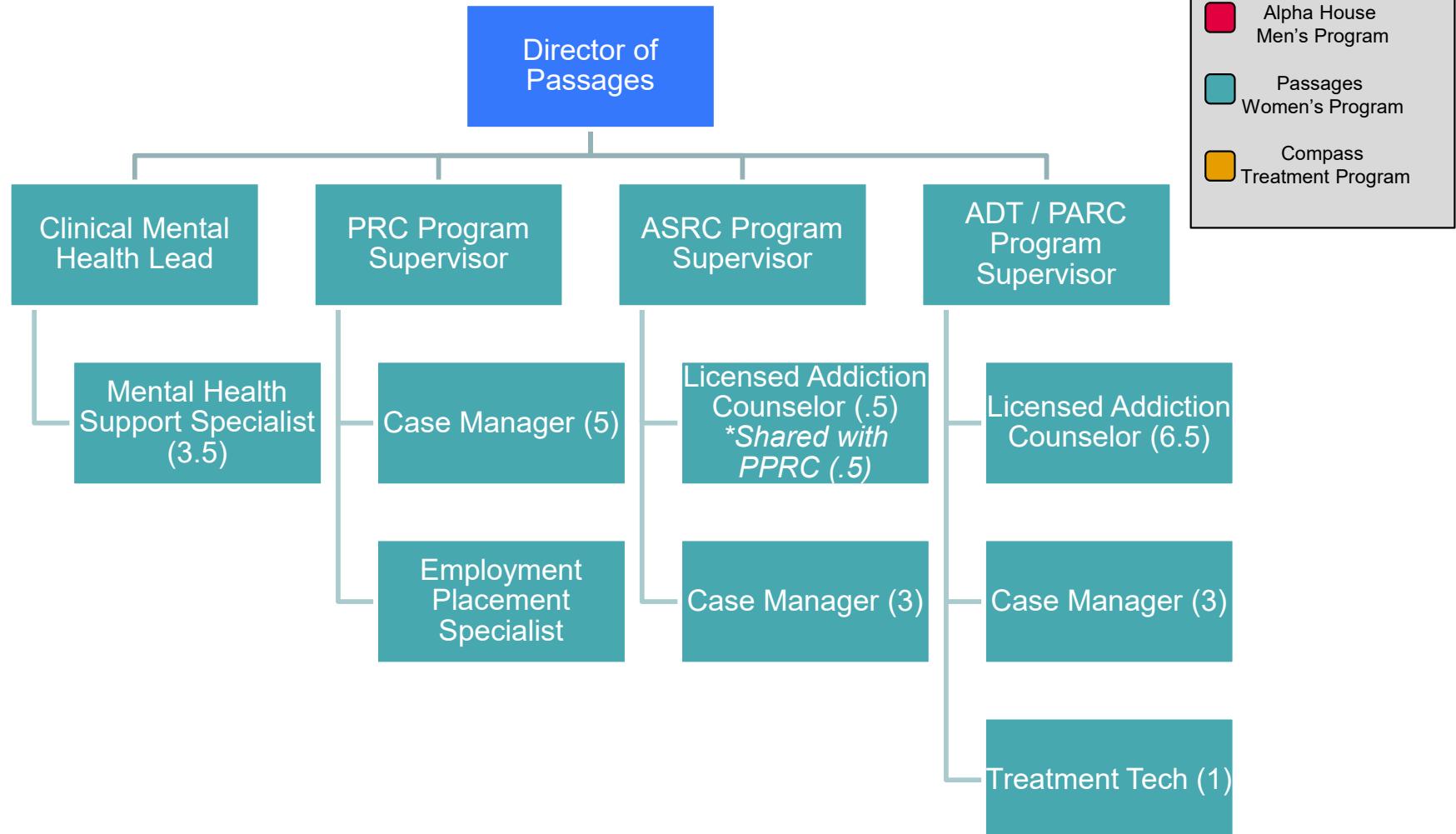


Chart 9: Passages Programs
(Pre-release, Assessment etc., Drug & Alcohol Treatment)

June 2022

Passages

Organizational Chart

Color Code Key:	
█	Alternatives Admin and Agency Personnel
█	Beta Jail Alternatives Misdemeanor Program
█	Alpha House Men's Program
█	Passages Women's Program
█	Compass Treatment Program

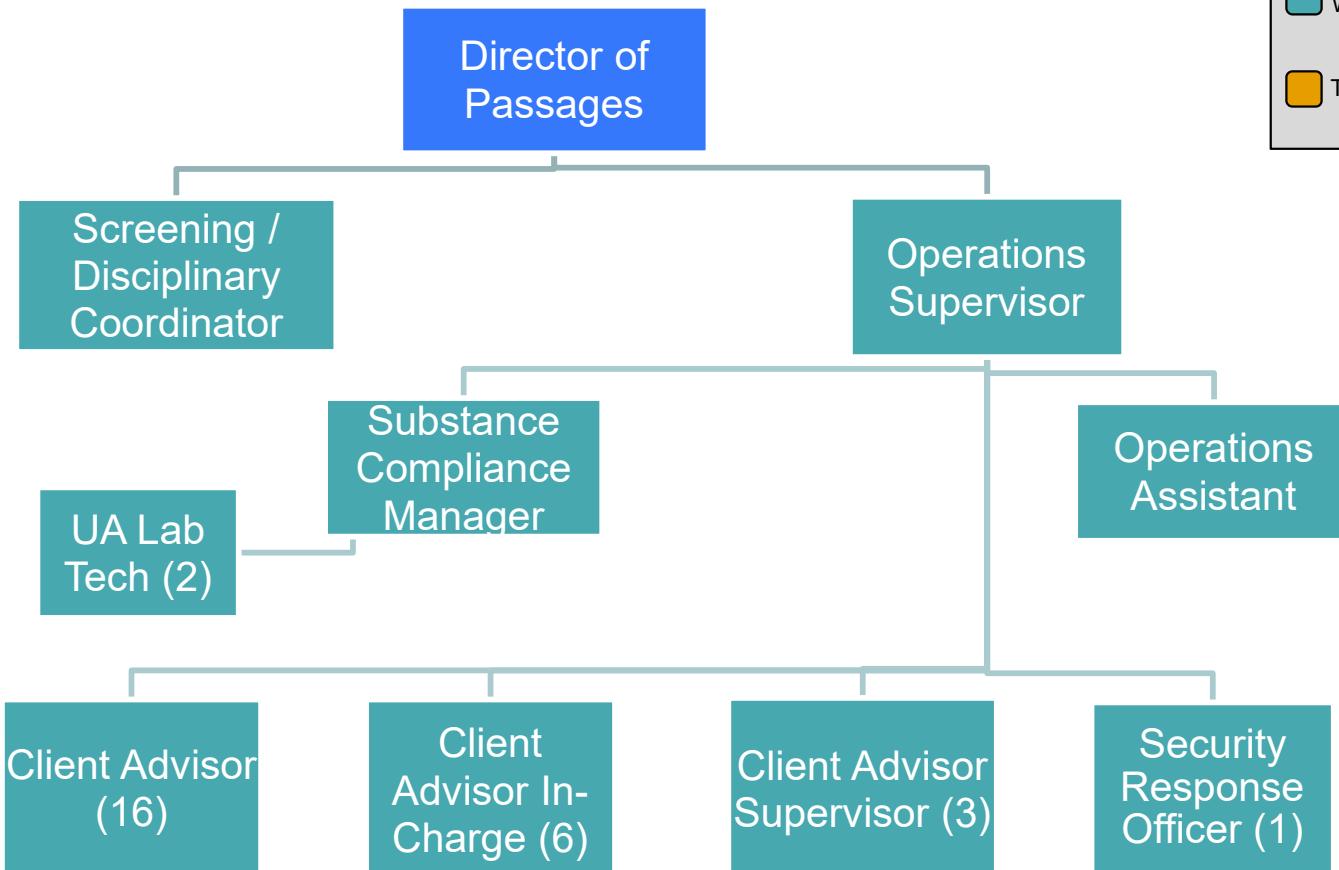


Chart 10: Residential / Security Services

May 2023

Alternatives Organizational Chart

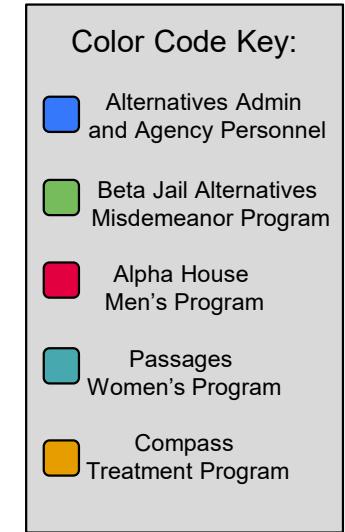
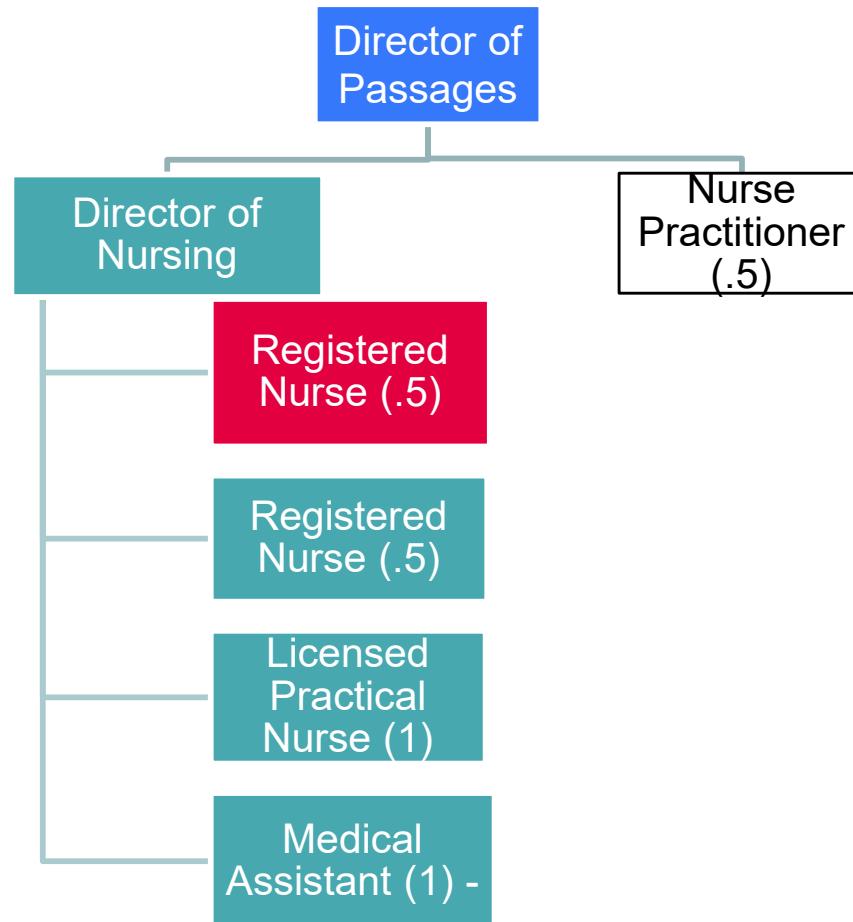


Chart 11: Medical

May 2023

Compass Organizational Chart

Color Code Key:	
█	Alternatives Admin and Agency Personnel
█	Beta Jail Alternatives Misdemeanor Program
█	Alpha House Men's Program
█	Passages Women's Program
█	Compass Treatment Program

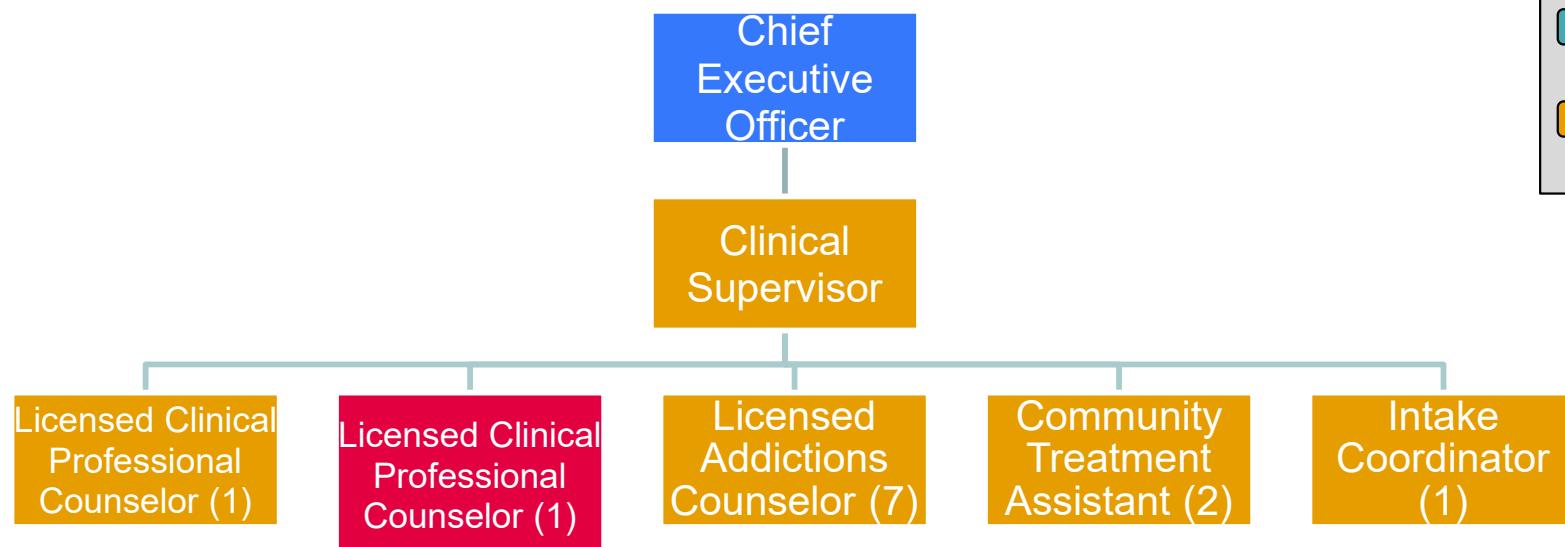


Chart 12: Compass

May 2023

HOME-ARP PROJECT SOURCES AND USES

*Include all costs directly related to delivering this service or accomplishing this project
Must include all itemized costs above \$500. Sources Must equal total project costs.*

Organization Name:	<i>Alternatives, Inc.</i>				
Revenue Sources	Source:	Source:	Source:	Source:	Total Project Revenue
	HOME-ARP	<i>Replace Text</i>	<i>Replace Text</i>	<i>Replace Text</i>	
Enter amount for each revenue source:	\$25,000	\$0	\$0	\$0	\$25,000
Is this source confirmed and committed to the Project? (click the box next to your answer)	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	
<input checked="" type="checkbox"/> No	<input type="checkbox"/> No	<input type="checkbox"/> No	<input type="checkbox"/> No		

PROJECT STAFFING

Job Title: <i>Replace Text</i>	\$0	\$0	\$0	\$0	\$0
Job Title: <i>Replace Text</i>	\$0	\$0	\$0	\$0	\$0
Job Title: <i>Replace Text</i>	\$0	\$0	\$0	\$0	\$0

OPERATING COSTS

Outside Provider Payments	\$25,000	\$0	\$0	\$0	\$25,000
Supplies	\$0	\$0	\$0	\$0	\$0
Insurance	\$0	\$0	\$0	\$0	\$0
Printing	\$0	\$0	\$0	\$0	\$0
Information Technology	\$0	\$0	\$0	\$0	\$0
Travel	\$0	\$0	\$0	\$0	\$0
Contract Services	\$0	\$0	\$0	\$0	\$0
Other (identify): <i>Replace Text</i>	\$0	\$0	\$0	\$0	\$0
Other (identify): <i>Replace Text</i>	\$0	\$0	\$0	\$0	\$0
Other (identify): <i>Replace Text</i>	\$0	\$0	\$0	\$0	\$0

Grand Total **\$25,000** **\$0** **\$0** **\$0** **\$25,000**

% of Budget Costs Considered Administration **0.00%**

Provide a brief budget narrative for each line item identified above. Include an explanation and justification on costs per beneficiary.

Outside Provider Payments:	Up to \$500 in re-entry support will be paid directly to landlords for rent, deposits, housing application, sober living fees, or other housing specific needs. This will afford at least 50 participants from receiving funding,
Supplies:	NA
Insurance:	NA
Printing:	NA
Travel:	NA
Contract Services:	NA
Other (identify):	NA
Other (identify):	NA

FOR ALL HOME-ARP APPLICANTS / ORGANIZATIONS

1. Organizations providing supportive services must ensure services are delivered equitably. A chronological waiting list, including the usage of date / time stamps, must be maintained for **every** service offered under HOME-ARP. This may differ from your organization's current waiting list policies and procedures. ***Please describe your organization's ability to maintain and manage multiple waiting lists.***

Alternatives, Inc. has been in operation for over 44 years. As a result, it has been accustomed to managing significant waiting list for services. Alternatives has built and maintained a proprietary software database called TOM which allows the agency to document referral dates, times, source, programs, and services rendered. Each program of TOM allows customizable services, service codes, pay sources, and tracking systems to allow specialty reports to be run at any time.

Alternatives intends to utilize this system and report as appropriately. Alternatives will be able to detail the length of time between referral and service, how often a service was rendered, and all appropriate documentation necessary. Currently, Alternatives does not expect the need to hold a waitlist for the service offerings it is proposed. However, should a waitlist be needed, Alternatives has policies and procedures on file with DPHHS for Behavioral Health programming and can be rendered to the City as needed. These policies follow standard Critical Care (CC) populations that allow for waitlists to be jumped given the standard CC population status. In these situations, an intake is completed within 48 hours.

For housing support payments, each client referred will complete an intake with a designated Case Manager or Care Coordinator for the next available opening. Since Alternatives has a community program staff of 13 and the targeted population for this program is mainly offenders transitioning out of or diverting from the jail, it is expected that clients will receive an intake within 3 business days of the referral being received. Case Managers/Care Coordinators are alerted via a detailed task report each day and scheduling is completed by administrative support staff to ensure timely intake and execution of services.

2. Procedures for managing waiting lists may include information on handling referrals internally within an organization. If multiple services or programs are offered at your organization, ***please describe your policies and procedures for internal program referrals for participants within the organization.***

Referrals internally to other programs or services are done on an individual case by case basis in consultation with the client. The client is given all available options for services both internal and external and given an option to select appropriate services based on timelines and availability. Given the nature of the clientele served by Alternatives, clients are predominantly referred to the program from a court, probation/parole, DPHHS, or other government/community organization. If the client chooses an external program, Case Managers/Care Coordinators will document and assist the client with getting an intake appointment in that service. If the referral is for an internal service, a referral form is completed and must be acknowledged and accepted by the client. The client must complete an intake for that individual service with the appropriate program staff. For example a client receiving re-entry/housing supports who also needs a substance use disorder assessment will be given public, private, and internal options for the service. If the client chooses Alternatives for that program, an appointment would be made with a treatment team member to review those specific program guidelines. The client will sign the referral and follow up. If the client chooses an external program, Alternatives asks the client to complete necessary HIPPA release of information forms so that the Case Manager/Care Coordinator can speak to that agency about programming in order to provide continuity of care.

3. Please describe your organization's understanding of housing discrimination and [The Fair Housing Act](#).

Alternatives has a basic understand of housing discrimination issues and adheres to the Fair Housing Act. We're committed to promoting equal housing opportunities and preventing any form of discrimination. As a recipient of other Federal, State, and Local funding alternatives has Standard Operating Procedures that prevent discrimination based on race, color, religion, sex, disability, familial status, or national origin. All staff are trained on harassment, disability, and discrimination policies and procedures at least once a year. As a result, Alternatives ensures that it will follow all federal guidelines of The Fair Housing Act when implementing housing/re-entry supports while also ensuring landlords are also adhering to these principles. Any concerns will be immediately reported to administrative staff.

4. Has your staff participated in any Fair Housing training in the last three years? If yes, please list training type(s) and date(s) of training:

Alternatives, has not participated in Fair Housing Training, but would be willing to do so as long as it was appropriate and affordable for staff.

5. Demonstrating long-term outcomes and participant success following a HOME-ARP funding allocation is crucial. *What procedures will your organization implement in order to collect follow-up data from participants?*

Alternatives already has a system in place to collect follow-up data for participants, especially those who receive Substance Abuse Disorder Treatment Services. Alternatives has a quality assurance and control policy and procedure that collects information about clients at intake, after treatment is completed, at 6 months post treatment, and at the 1-year mark to review client outcomes. Alternatives incentivizes these surveys as a way to get clients to respond for data. Additionally, given the specialty population, Alternatives is able to collaborate with local law enforcement, State Probation and Parole, and other treatment centers in Montana on recidivism data to review its impacts on programming on participants. This model can be used in this scenario should it be required. As the leading diversion and supervision program in the area, Alternatives is well equipped with implementing procedures to track long term outcomes.

6. How will you continue to serve clients after HOME-ARP funding is fully expended? i.e. describe how your organization will provide aftercare services for program participants.

Depending on the type of service, Alternatives may have other funding sources that will be able to continue services. Additionally, Alternatives offers services for fees if no other funding source is available. Furthermore, Alternatives has a designated indigent fund for clients who are in financial need. This has been in place for over 15 years. Alternatives is committed to obtaining a diversification of funding and finding ways to continue services after grant funding expires. In many cases, a participant may require a different service other than what is provided as part of this grant. Should that be the case, Alternatives will make internal or external referrals. It is the intent that each participant receives an individualized plan that is regularly evaluated for ongoing supports. Often times, Alternatives is the first step in a client's recovery process. Alternatives hopes to provide necessary services, make referrals for those that it does not offer, and collaborate with community partners to ensure a client has well-rounded services that meet his/her needs. Typically these aftercare services occur outside of Alternatives program, but is dependent on individual need due to the specialized criminal justice population we service.

7. Organizations will be required to use HMIS (Homeless Management Information System) to coordinate services and check for duplication of benefits. *Does your organization currently use HMIS? If not, is your organization willing to implement HMIS to meet program requirements?*

Alternatives does not currently participate in HIMIS, but is willing and able to implement this to ensure that it meets program requirements. As indicated above, Alternatives is dedicated to providing detailed and comprehensive data reporting.

8. ***After reviewing the additional questions / requirements / clarifications attached, would your organization like to adjust any of the supportive service activities that were proposed in your original application?***

Alternatives does not have any questions regarding the requirements. We would like to request additional funding for Substance Use Disorder Services in addition to the rental assistance. An updated sources and uses sheet is attached to reflect this additional service.

Alternatives

- The agency proposed that it would carry out Outreach Services, Landlord / Tenant Liaison Services, and / or Services for Special Populations; however, the agency did not propose needing staffing costs to deliver these services. ***Please review the attached table for the definitions of Outreach Services, Landlord / Tenant Liaison services, and Services for Special Populations. Are there specific activities that the agency would like to provide that will meet the requirements of these definitions? If yes, please describe the activities. The agency may also need to add staff costs to their Sources & Uses sheet and resubmit.***

Alternatives currently staffs case managers and care coordinators who are funded out of grants or other funds. Alternatives is not requesting reimbursement for the salaries or benefits of this staff time; however, will be performing outreach, landlord/tenant services, and services for special populations, namely offenders who are often excluded from other programs, especially violent and sex offenders. Currently Alternatives meets with clients at the office, at referral sources, or at the jail. No mileage or supplies will be reimbursed though staff often meet with landlords, sober living homes, and other referral sources to assess individual needs or assist with transitional housing services.

- ***If the organization is not hiring staff to carry out HOME-ARP supportive services, how are the positions funded today and why is HOME-ARP needed?***

As mentioned above, the staff are currently staff of Alternatives and are paid out of grants and other funding sources. Those sourced do not currently offer re-entry rental assistance. Alternatives did have funding from a COAP grant through the MBCC for this, but that grant ended in 2023. Alternatives expects to find an alternative funding source for this in the future and would like to use the HOME-ARP funds to fill that temporary gap.

As far as the use of HOME-ARP funds for Substance Abuse Treatment, Alternatives is expecting this to be a temporary need while individuals get their Medicaid redetermination status resolved. Over 104,000 individuals had their Medicaid canceled since April of last year that is leaving service providers and clients without reimbursement options. With the delay in Medicaid approvals, clients are not receiving the services these they need. Again, this is just a temporary stop gap fill while other funding is secured and while state reimbursement is leveled out.

- ***What are the “other housing specific needs” (Sources & Uses doc) that the agency plans to provide?***

Other housing specific needs would be furnishings for a home such as couches, beds, bedding, towels, kitchen items. These would be purchased on a case-by-case basis with attempts to utilize second hand stores and other vouchers as appropriate. This has been updated on the Sources and Uses.

HOME-ARP PROJECT SOURCES AND USES

Include all costs directly related to delivering this service or accomplishing this project

Must include all itemized costs above \$500. Sources Must equal total project costs.

Organization Name:	<i>Alternatives, Inc.</i>				
Revenue Sources	Source:	Source:	Source:	Source:	Total Project Revenue
	HOME-ARP	Replace Text	Replace Text	Replace Text	\$60,050
Enter amount for each revenue source:	\$60,050	\$0	\$0	\$0	\$60,050
Is this source confirmed and committed to the Project? (click the box next to your answer)	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
PROJECT STAFFING					
Job Title: <i>Replace Text</i>	\$0	\$0	\$0	\$0	\$0
Job Title: <i>Replace Text</i>	\$0	\$0	\$0	\$0	\$0
Job Title: <i>Replace Text</i>	\$0	\$0	\$0	\$0	\$0
OPERATING COSTS					
Outside Provider Payments	\$25,000	\$0	\$0	\$0	\$25,000
Supplies	\$0	\$0	\$0	\$0	\$0
Insurance	\$0	\$0	\$0	\$0	\$0
Printing	\$0	\$0	\$0	\$0	\$0
Information Technology	\$0	\$0	\$0	\$0	\$0
Travel	\$0	\$0	\$0	\$0	\$0
Contract Services	\$0	\$0	\$0	\$0	\$0
Other (identify): <i>Substance Abuse Treatment Services</i>	\$35,050	\$0	\$0	\$0	\$35,050
Other (identify): <i>Replace Text</i>	\$0	\$0	\$0	\$0	\$0
Other (identify): <i>Replace Text</i>	\$0	\$0	\$0	\$0	\$0
Grand Total	\$60,050	\$0	\$0	\$0	\$60,050
% of Budget Costs Considered Administration					0.00%
Provide a brief budget narrative for each line item identified above. Include an explanation and justification on costs per beneficiary.					
Outside Provider Payments:					
Up to \$500 in re-entry support will be paid directly to landlords for rent, deposits, housing application, sober living fees, or other housing furnishings such as a bed or dishes. This will afford at least 51 participants to receive funding.					
Supplies:					
NA					
Insurance:					
NA					
Printing:					
NA					
Travel:					
NA					
Contract Services:					
NA					
Other (identify): <i>Alternatives is willing and able to provide substance abuse treatment services to those needing appropriate level of care and are homeless or at risk of being homeless. Based on submitted and approved usual and Customary rates on file with MT DPHHS, Alternatives is willing and able to provide up to 30 Substance Abuse Disorder Assessments from a Licensed Addictions Counselor (LAC). Each assessment is \$350 and includes a recommendation and treatment plan. Of those 30, Alternatives is able to offer 17 individuals a complete level 1 outpatient treatment program which includes 3 individual 1:1 counseling sessions and 12 weekly groups. Each group is \$75/pp, and a total of 204 groups for \$15,300 will be available. The 1:1s range from 15-60 minutes and 15 15-37 minute sessions are \$100 (1,500), 20 38-52 minute sessions for \$200 (\$4,000), and 15 53+ minute sessions for \$250/session \$3,750) will cover that entire program for those 17 individuals.</i>					
Other (identify):					
NA					