

Form 5500

Annual Return/Report of Employee Benefit Plan

OMB Nos. 1210-0110 1210-0089

2023

This Form is Open to Public Inspection

Department of the Treasury Internal Revenue Service

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

Complete all entries in accordance with the instructions to the Form 5500.

Department of Labor Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Part I Annual Report Identification Information

For calendar plan year 2023 or fiscal plan year beginning 07/01/2023 and ending 06/30/2024

- A This return/report is for: [] a multiemployer plan [] a multiple-employer plan... [X] a single-employer plan [] a DFE (specify)
B This return/report is: [] the first return/report [] the final return/report [X] an amended return/report [] a short plan year return/report...
C If the plan is a collectively-bargained plan, check here... []
D Check box if filing under: [X] Form 5558 [] automatic extension [X] the DFVC program [] special extension...
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here... []

Part II Basic Plan Information—enter all requested information

1a Name of plan ALTERNATIVES, INC. 401(K) PLAN
1b Three-digit plan number (PN) 001
1c Effective date of plan 01/01/1984
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) ALTERNATIVES, INC. 600 1ST AVE RARITAN, NJ 08869-1346
2b Employer Identification Number (EIN) 22-2318999
2c Plan Sponsor's telephone number 908-685-1444
2d Business code (see instructions) 624100

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

Table with 4 columns: SIGN HERE, Signature of plan administrator, Date, Enter name of individual signing as plan administrator. Includes rows for employer/plan sponsor and DFE.

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2023) v. 230707

3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	3b Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN	
	4d PN	
5 Total number of participants at the beginning of the plan year	5	414
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6a(1)	266
	6a(2)	266
	6b	0
	6c	132
	6d	398
	6e	1
	6f	399
	6g(1)	347
6g(2)	324	
6h	12	
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
 2J 2K 2T 2E 2F 3D 2G

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) <input type="checkbox"/> Insurance	(1) <input type="checkbox"/> Insurance
(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts	(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts
(3) <input checked="" type="checkbox"/> Trust	(3) <input checked="" type="checkbox"/> Trust
(4) <input type="checkbox"/> General assets of the sponsor	(4) <input type="checkbox"/> General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

- a Pension Schedules**
- (1) **R** (Retirement Plan Information)
 - (2) **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 - (3) **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
 - (4) **DCG** (Individual Plan Information) – Number Attached _____
 - (5) **MEP** (Multiple-Employer Retirement Plan Information)

- b General Schedules**
- (1) **H** (Financial Information)
 - (2) **I** (Financial Information – Small Plan)
 - (3) **A** (Insurance Information) – Number Attached 0
 - (4) **C** (Service Provider Information)
 - (5) **D** (DFE/Participating Plan Information)
 - (6) **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) Yes No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) Yes No

11c Enter the Receipt Confirmation Code for the 2023 Form M-1 annual report. If the plan was not required to file the 2023 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2023 This Form is Open to Public Inspection.
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For calendar plan year 2023 or fiscal plan year beginning **07/01/2023** and ending **06/30/2024**

A Name of plan ALTERNATIVES, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 ALTERNATIVES, INC.	D Employer Identification Number (EIN) 22-2318999	

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... Yes No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 60 64 65	RECORDKEEPER	4050	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
ABF LG CAP VAL INV - SS&C GIDS, IN 2000 CROWN COLONY DRIVE QUINCY, MA 02169	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
GLENMEDE LG CAP GRTH - STATE STREE 04-0025081	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
HTFD INTL OPPS R4 - HARTFORD ADMIN 41-0679409	0.50%	

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PGIM J MID-CAP GR A - PRUDENTIAL M 22-3703799	0.35%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TRP RETIRE 2005 ADV - T. ROWE PRIC 52-2269240	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TRP RETIRE 2010 ADV - T. ROWE PRIC 52-2269240	0.40%	

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
TRP RETIRE 2015 ADV - T. ROWE PRIC 52-2269240	0.40%

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
TRP RETIRE 2020 ADV - T. ROWE PRIC 52-2269240	0.40%

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
TRP RETIRE 2025 ADV - T. ROWE PRIC 52-2269240	0.40%

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TRP RETIRE 2030 ADV - T. ROWE PRIC 52-2269240	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TRP RETIRE 2035 ADV - T. ROWE PRIC 52-2269240	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TRP RETIRE 2040 ADV - T. ROWE PRIC 52-2269240	0.40%	

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TRP RETIRE 2045 ADV - T. ROWE PRIC 52-2269240	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TRP RETIRE 2050 ADV - T. ROWE PRIC 52-2269240	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TRP RETIRE 2055 ADV - T. ROWE PRIC 52-2269240	0.40%	

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
VICTORY S ESTB VAL A - FIS INVESTO FAITH INVESTOR SERVICES, LLC 14785 PRESTON ROAD, SUITE 1000 DALLAS, TX 75254	0.50%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2023 This Form is Open to Public Inspection
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For calendar plan year 2023 or fiscal plan year beginning 07/01/2023 and ending 06/30/2024	
A Name of plan ALTERNATIVES, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 ALTERNATIVES, INC.	D Employer Identification Number (EIN) 22-2318999

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

		(a) Beginning of Year	(b) End of Year
Assets			
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	148694	142747
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	284743	328433
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	10391954	11718210
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	0	0
(15) Other	1c(15)	0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	10825391	12189390
Liabilities			
g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	10825391	12189390

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	1407	
(B) Participants	2a(1)(B)	568733	
(C) Others (including rollovers)	2a(1)(C)	218793	
(2) Noncash contributions	2a(2)	0	788933
(3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	7096	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	21441	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		28537
(2) Dividends:			
(A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	519503	
(D) Total dividends. Add lines 2b(2)(A), (B), and (C)	2b(2)(D)		519503
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		1005536
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		2342509

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	916427	
(2) To insurance carriers for the provision of benefits.....	2e(2)	0	
(3) Other.....	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		916427
f Corrective distributions (see instructions).....	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		58033
h Interest expense.....	2h		0
i Administrative expenses:			
(1) Salaries and allowances.....	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	0	
(3) Recordkeeping fees.....	2i(3)	4050	
(4) IQPA audit fees.....	2i(4)	0	
(5) Investment advisory and investment management fees.....	2i(5)	0	
(6) Bank or trust company trustee/custodial fees.....	2i(6)	0	
(7) Actuarial fees.....	2i(7)	0	
(8) Legal fees.....	2i(8)	0	
(9) Valuation/appraisal fees.....	2i(9)	0	
(10) Other trustee fees and expenses.....	2i(10)	0	
(11) Other expenses.....	2i(11)	0	
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		4050
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		978510

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1363999
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan.....	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) Unmodified (2) Qualified (3) Disclaimer (4) Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) DOL Regulation 2520.103-8 (2) DOL Regulation 2520.103-12(d) (3) neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: WITHUMSMITH & BROWN PC

(2) EIN: 22-2027092

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) This form is filed for a CCT, PSA, DCG or MTIA. (2) It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? Yes No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) Yes No Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2023 This Form is Open to Public Inspection.
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For calendar plan year 2023 or fiscal plan year beginning 07/01/2023 and ending 06/30/2024

A Name of plan <u>ALTERNATIVES, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ▶	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ALTERNATIVES, INC.</u>	D Employer Identification Number (EIN) <u>22-2318999</u>	

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-6568107</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Both	<input type="checkbox"/> No
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Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
11 a Does the ESOP hold any preferred stock?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment)	14a	
b The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14b	
c The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	14c	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment.....

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment.....

19 If the total number of participants is 1,000 or more, complete lines (a) and (b):

a Enter the percentage of plan assets held as:
 Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____%
 High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____%

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:
 0-5 years 5-10 years 10-15 years 15 years or more

20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? Yes No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:
 Yes.
 No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.
 No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.
 No. Other. Provide explanation.....

Part VII IRS Compliance Questions

21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? Yes No

21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).
 Design-based safe harbor method
 "Prior year" ADP test
 "Current year" ADP test
 N/A

22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter 06 / 30 / 2020 (MM/DD/YYYY) and the Opinion Letter serial number Q702438A.

**Alternatives, Inc. 401(k) Plan
Financial Statements
June 30, 2024 and 2023
With Independent Auditor's Report**

Alternatives, Inc. 401(k) Plan
Table of Contents
June 30, 2024 and 2023

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Independent Auditor's Report

To the Plan Administrator of
Alternatives, Inc. 401(k) Plan:

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of Alternatives, Inc. 401(k) Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as permitted by ERISA Section 103(a)(3)(C) ("ERISA Section 103(a)(3)(C) audit"). The financial statements comprise the statements of net assets available for benefits as of June 30, 2024 and 2023, and the related statement of changes in net assets available for benefits for the year ended June 30, 2024, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of Alternatives, Inc. 401(k) Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan ("investment information") by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA ("qualified institution").

Management has obtained certifications from a qualified institution as of June 30, 2024 and 2023, and for the year ended June 30, 2024, stating that the certified investment information, as described in Note 5 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- The amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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. 401(k) Plan 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 ERISA Section 103(a)(3)(C) 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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. 401(k) Plan's ability to continue as a going concern for at least one year following the date that the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, 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 GAAS 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 GAAS, 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. 401(k) Plan'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. 401(k) Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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.

Other Matter - Supplemental Schedule Required by ERISA

The supplemental schedule, Schedule H, Line 4i - Schedule of Assets (Held at End of Year), as of June 30, 2024 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Withum Smith & Brown, PC

March 6, 2025

Alternatives, Inc. 401(k) Plan
Statements of Net Assets Available for Benefits
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Investments at fair value	\$ 11,860,957	\$ 10,540,648
Receivables		
Notes receivable from participants	328,433	284,743
Contribution receivables		
Participant	2,518	-
Employer	91,883	-
	<u>94,401</u>	<u>-</u>
	422,834	284,743
Net assets available for benefits	<u><u>\$ 12,283,791</u></u>	<u><u>\$ 10,825,391</u></u>

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

**Alternatives, Inc. 401(k) Plan
Statement of Changes in Net Assets Available for Benefits
Year Ended June 30, 2024**

Additions

Investment income

Interest and dividends	\$ 526,519
Net appreciation in fair value of investments	1,005,616

Total investment income	<u>1,532,135</u>
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Interest income on notes receivable from participants	<u>21,441</u>
--------------------------------------------------------------	---------------

Contributions

Participant contributions	571,251
Employer contributions	93,290
Rollovers	218,793

Total contributions	<u>883,334</u>
----------------------------	----------------

Total additions	<u>2,436,910</u>
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Deductions

Benefits paid to participants	974,460
Administrative expenses	4,050

Total deductions	<u>978,510</u>
-------------------------	----------------

Net change in net assets available for benefits	1,458,400
--------------------------------------------------------	-----------

Net assets available for benefits

Beginning of year	10,825,391
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End of year	<u>\$ 12,283,791</u>
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The Notes to Financial Statements are an integral part of this statement.

Alternatives, Inc. 401(k) Plan Notes to Financial Statements June 30, 2024 and 2023

1. Description of Plan

The following description of the Alternatives, Inc. 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan established effective January 1, 1984, as restated July 8, 2021. The Plan covers all employees, excluding employees covered by a collective bargaining agreement, of Alternatives, Inc. (the "Company") who have completed one year of service with 1,000 hours and are age 21 or older. To be eligible for the employer discretionary contribution employees must have completed 1,000 hours of service and be employed on the last day of the year. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Contributions

Each year, participants may contribute up to 90% of pretax annual compensation, as defined in the Plan document, for up to the maximum limits of the Internal Revenue Code ("IRC"). Participants also may designate all or a portion of their deferral contributions as after-tax contributions into a Roth account. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants also may contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan includes an automatic enrollment provision whereby all newly eligible employees are automatically enrolled in the Plan unless they affirmatively elect not to participate in the Plan. Automatically enrolled participants have their deferral rate set at 1% of eligible compensation and their contributions invested in a designated balanced fund until changed by the participant. Automatically enrolled participants will have their deferral rate increase by 1% on July 1 of each year until their deferral rate reaches 6%. Discretionary employer match amounts and/or a discretionary non elective contribution may be contributed by the Company at the option of the Board of Trustees. For the year ended June 30, 2024, the Company approved a discretionary contribution equal to 1.15% of participants' eligible wages to the Plan. Contributions are subject to certain Internal Revenue Service ("IRS") limitations.

Participant Accounts

Each participant's account is credited with the participant's contributions, Company matching contributions, allocations of the Company's discretionary contributions and an allocation of the Plan's earnings (losses). Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of continuous service. A participant is 25% vested after two years of credited service, 50% vested after three years of credited services, and reaches 100% vested after four years of credited service.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account. The loan interest rate, determined annually, is set at the Prime rate, as defined. Principal and interest are paid ratably through monthly payroll deductions. Terms range up to five years or greater for the purchase of a primary residence.

Alternatives, Inc. 401(k) Plan Notes to Financial Statements June 30, 2024 and 2023

Payment of Benefits

On termination of service due to death, disability, retirement, or other reasons, a participant may elect to receive a lump sum amount equal to the value of the participant's vested interest in his or her account. If a terminated participant's vested balance is less than or equal to \$1,000, the amount may be automatically distributed in the form of lump sum cash payment. Any distribution greater than \$1,000 and less than \$5,000 will be rolled over to an individual retirement plan designated by the Plan administrator.

In addition, the Plan allows for hardship distributions if certain criteria are met.

Forfeited Accounts

As of June 30, 2024 and 2023, forfeited nonvested accounts totaled \$50,672 and \$26,928, respectively. Forfeitures of non-vested Employer contributions are applied first to payment of the Plan's administrative expenses at the Employer's option. Remaining forfeitures may be allocated to the remaining Plan participants. During 2024, no amounts were applied to plan activities from forfeited nonvested accounts.

2. Summary of Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value or net asset value ("NAV"), which approximates fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's investment committee determines the Plan's valuation policies utilizing information provided by the investment advisors, custodians, and insurance company, as applicable. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on an accrual basis. Related fees are recorded as administrative expenses and are expensed as incurred.

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment-related expenses are included in net appreciation in fair value of investments.

Alternatives, Inc. 401(k) Plan Notes to Financial Statements June 30, 2024 and 2023

Subsequent Events

The Plan's management evaluated events that occurred after June 30, 2024 through March 6, 2025, the date when the financial statements were available to be issued.

3. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurement*, are described as follows:

Level 1 - Inputs to the valuation technique are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation technique include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation technique are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation techniques used for assets measured at fair value. There have been no changes in the techniques used as of June 30, 2024 and 2023.

Money Market Funds: Valued at the quoted net asset value of shares held by the Plan at year-end.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**Alternatives, Inc. 401(k) Plan
Notes to Financial Statements
June 30, 2024 and 2023**

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2024 and 2023:

June 30, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 142,747	\$ -	\$ -	\$ 142,747
Mutual funds	11,718,210	-	-	11,718,210
Total investments at fair value	<u>\$ 11,860,957</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,860,957</u>

June 30, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 148,694	\$ -	\$ -	\$ 148,694
Mutual funds	10,391,954	-	-	10,391,954
Total investments at fair value	<u>\$ 10,540,648</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,540,648</u>

4. Related-Party and Party-in-Interest Transactions

Certain Plan investments are managed by the trustee, and therefore, these transactions qualify as party-in-interest transactions.

Fees incurred by the Plan for the investment management services are included in net appreciation in the fair value of the investment.

Additionally, the Plan issues loans to participants, which are secured by the participants' account balances. These transactions qualify as party-in-interest transactions.

Certain administrative functions of the Plan are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan.

5. Information Certified by Trustee

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA for 2024 and 2023. Accordingly, Fidelity Management Trust Company, the Trustee of the Plan, has certified the completeness and accuracy of all investments and notes receivable from participants reported in the accompanying statements of net assets available for benefits as of June 30, 2024 and 2023, and the supplemental Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of June 30, 2024, and the related investment activity and interest income on notes receivable from participants reported in the statement of changes in net assets available for benefits for the year ended June 30, 2024.

6. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions.

**Alternatives, Inc. 401(k) Plan
Notes to Financial Statements
June 30, 2024 and 2023**

7. Tax Status

The Plan adopted a pre-approved plan offered by FMR LLC. The pre-approved plan received an IRS Opinion Letter dated June 30, 2020, that the Plan and related trust are designed in accordance with the applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended since receiving the IRS Opinion Letter, the Plan administrator believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC, and, therefore believes that the Plan is qualified, and the related trust is tax exempt.

Plan management is required to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

8. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

9. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at June 30, 2024 and 2023, to Form 5500:

	<u>2024</u>	<u>2023</u>
Net assets available for benefits per the financial statements	\$ 12,283,791	\$ 10,825,391
Employer match receivable	(2,518)	-
Participant contribution receivable	(91,883)	-
Net assets available for benefits per Form 5500	<u>\$ 12,189,390</u>	<u>\$ 10,825,391</u>

The following is a reconciliation of the increase in net assets per the financial statements for the year ended June 30, 2024, to Form 5500:

Change in net assets per the financial statements	\$ 1,458,400
Less: Change in employer contribution receivable	91,883
Less: Change in participant contribution receivable	2,518
Increase in net assets per Form 5500	<u>\$ 1,363,999</u>

Supplementary Information

Alternatives, Inc. 401(k) Plan
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
EIN: 22-2318999 Plan Number: 001
June 30, 2024

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost**	(e) Current Value
*	Fidelity Management Trust Company	Fidelity Government Money Market Fund	\$ -	\$ 142,747
	American Beacon	Large Cap Value Fund	-	14,829
*	Fidelity Management Trust Company	Fidelity Cap and Income	-	28,899
*	Fidelity Management Trust Company	Fidelity Value	-	12,379
*	Fidelity Management Trust Company	Fidelity Government Income	-	1,485
*	Fidelity Management Trust Company	Fidelity OTC Portfolio	-	182,570
*	Fidelity Management Trust Company	Fidelity Real Estate Investment	-	102,588
*	Fidelity Management Trust Company	Fidelity Balanced	-	78
*	Fidelity Management Trust Company	Fidelity Intl Discovery	-	57,522
*	Fidelity Management Trust Company	Fidelity Total Bond	-	107,526
*	Fidelity Management Trust Company	Fidelity Small Cap Growth	-	8,273
*	Fidelity Management Trust Company	Fidelity Small Cap Value	-	1,731
*	Fidelity Management Trust Company	Fidelity Ext Mkt Ida ADV	-	126,563
*	Fidelity Management Trust Company	Fidelity Intl Index ADV	-	106,894
*	Fidelity Management Trust Company	Fidelity 500 Index ADV	-	402,474
*	Fidelity Management Trust Company	Fidelity US Bond Index ADV	-	62,023
	Glenmede	U.S. Large Cap Growth	-	11,365
	Hartford	International Opportunities Fund	-	268
	Prudential	Jennison Mid Cap Growth A	-	61,138
	T. Rowe Price	TRP Retirement 2005 ADV	-	899
	T. Rowe Price	TRP Retirement 2010 ADV	-	2,649
	T. Rowe Price	TRP Retirement 2015 ADV	-	87
	T. Rowe Price	TRP Retirement 2020 ADV	-	1,836,438
	T. Rowe Price	TRP Retirement 2025 ADV	-	1,025,024
	T. Rowe Price	TRP Retirement 2030 ADV	-	1,734,104
	T. Rowe Price	TRP Retirement 2035 ADV	-	2,073,560
	T. Rowe Price	TRP Retirement 2040 ADV	-	1,096,417
	T. Rowe Price	TRP Retirement 2045 ADV	-	1,114,228
	T. Rowe Price	TRP Retirement 2050 ADV	-	806,912
	T. Rowe Price	TRP Retirement 2055 ADV	-	727,424
	Victory Sycamore	Established Value Fund	-	11,863
	Total mutual funds		-	11,718,210
*	Notes Receivable from Participants	Interest rates at 3.25% to 8.50% with maturity dates through 2030	-	328,433
			\$ -	\$ 12,189,390

*Denotes a party-in-interest.

**Cost information is omitted as all investments are participant directed.

See Independent Auditor's Report.

Alternatives, Inc. 401(k) Plan
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
EIN: 22-2318999 Plan Number: 001
June 30, 2024

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost**	(e) Current Value
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	American Beacon	Large Cap Value Fund	-	14,829
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*	Fidelity Management Trust Company	Fidelity Value	-	12,379
*	Fidelity Management Trust Company	Fidelity Government Income	-	1,485
*	Fidelity Management Trust Company	Fidelity OTC Portfolio	-	182,570
*	Fidelity Management Trust Company	Fidelity Real Estate Investment	-	102,588
*	Fidelity Management Trust Company	Fidelity Balanced	-	78
*	Fidelity Management Trust Company	Fidelity Intl Discovery	-	57,522
*	Fidelity Management Trust Company	Fidelity Total Bond	-	107,526
*	Fidelity Management Trust Company	Fidelity Small Cap Growth	-	8,273
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	T. Rowe Price	TRP Retirement 2015 ADV	-	87
	T. Rowe Price	TRP Retirement 2020 ADV	-	1,836,438
	T. Rowe Price	TRP Retirement 2025 ADV	-	1,025,024
	T. Rowe Price	TRP Retirement 2030 ADV	-	1,734,104
	T. Rowe Price	TRP Retirement 2035 ADV	-	2,073,560
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	T. Rowe Price	TRP Retirement 2050 ADV	-	806,912
	T. Rowe Price	TRP Retirement 2055 ADV	-	727,424
	Victory Sycamore	Established Value Fund	-	11,863
	Total mutual funds		-	11,718,210
*	Notes Receivable from Participants	Interest rates at 3.25% to 8.50% with maturity dates through 2030	-	328,433
			\$ -	\$ 12,189,390

*Denotes a party-in-interest.

**Cost information is omitted as all investments are participant directed.

See Independent Auditor's Report.

SUMMARY OF NET TRUST ASSETS

Total Plan Assets as of 06/30/2024

<u>Fund Name</u>	<u>Share Balance 06/30/2024</u>	<u>Historical Cost</u>	<u>Price</u>	<u>Total Market Value</u>
ABF LG CAP VAL INV	611.772	\$15,316.51	\$24.24	\$14,829.35
VICTORY S ESTB VAL A	246.022	\$10,615.94	\$48.22	\$11,863.18
PGIM J MID-CAP GR A	4,086.784	\$88,132.92	\$14.96	\$61,138.29
HTFD INTL OPPS R4	13.911	\$181.58	\$19.25	\$267.79
TRP RETIRE 2005 ADV	75.056	\$953.36	\$11.98	\$899.17
TRP RETIRE 2015 ADV	6.901	\$84.47	\$12.60	\$86.95
TRP RETIRE 2025 ADV	62,085.043	\$972,079.65	\$16.51	\$1,025,024.06
TRP RETIRE 2035 ADV	100,511.874	\$1,763,011.03	\$20.63	\$2,073,559.96
TRP RETIRE 2045 ADV	51,560.755	\$890,459.24	\$21.61	\$1,114,227.92
TRP RETIRE 2050 ADV	44,117.681	\$685,380.61	\$18.29	\$806,912.39
TRP RETIRE 2055 ADV	37,788.240	\$616,425.59	\$19.25	\$727,423.62
TRP RETIRE 2010 ADV	174.516	\$3,038.82	\$15.18	\$2,649.15
TRP RETIRE 2020 ADV	98,999.354	\$1,938,789.58	\$18.55	\$1,836,438.02
TRP RETIRE 2030 ADV	68,731.844	\$1,616,223.67	\$25.23	\$1,734,104.42
TRP RETIRE 2040 ADV	36,903.978	\$965,003.48	\$29.71	\$1,096,417.19
GLENMEDE LG CAP GRTH	327.518	\$10,227.74	\$34.70	\$11,364.87
FID CAPITAL & INCOME	2,907.301	\$27,391.46	\$9.94	\$28,898.57
FID VALUE	836.445	\$9,446.58	\$14.80	\$12,379.39
FIDELITY GOVT INCOME	164.131	\$1,757.18	\$9.05	\$1,485.39
FID OTC PORTFOLIO	7,993.409	\$94,702.57	\$22.84	\$182,569.46
FID REAL ESTATE INVS	2,745.931	\$103,597.72	\$37.36	\$102,587.98
FID BALANCED	2.630	\$55.28	\$29.54	\$77.69
FID INTL DISCOVERY	1,152.277	\$45,749.17	\$49.92	\$57,521.67
FID GOVT MMKT	142,747.190	\$142,747.19	\$1.00	\$142,747.19
FID TOTAL BOND	11,438.967	\$109,552.86	\$9.40	\$107,526.29
FID SMALL CAP GROWTH	264.046	\$7,921.96	\$31.33	\$8,272.56
FID SMALL CAP VALUE	88.012	\$1,473.91	\$19.67	\$1,731.20
FID US BOND IDX	6,080.660	\$59,779.42	\$10.20	\$62,022.73
FID 500 INDEX	2,116.058	\$282,191.37	\$190.20	\$402,474.23
FID INTL INDEX	2,147.767	\$90,121.54	\$49.77	\$106,894.36
FID EXTD MKT IDX	1,569.281	\$103,095.58	\$80.65	\$126,562.51
OUTSTANDING LOAN BALANCE				\$328,432.88

			NET ASSETS 06/30/2024:	\$12,189,390.43
				=====

Assets are presented at fair value with the exception to fully benefit responsive investment contracts which are presented at contract value as in previous years. See Chapter 7 of the Fidelity Auditor's Guide for financial statement presentation and disclosure information.



ALTERNATIVES, INC. AND AFFILIATES
Combined Financial Statements
June 30, 2024 and 2023
With Independent Auditor's Report

Alternatives, Inc. and Affiliates
Table of Contents
June 30, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Alternatives, Inc. and Affiliates:

Opinion

We have audited the combined financial statements of Alternatives, Inc. and Affiliates (the "Agency"), which comprise the combined statements of financial position as of June 30, 2024 and 2023, and the related combined statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of the Agency as of June 30, 2024 and 2023, 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 ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Agency 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 Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 GAAS 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 combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying combining statements of financial position as of June 30, 2024 and 2023, and combining statements of activities and changes in net assets for the years then ended are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements.

The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Withum Smith & Brown, PC

November 18, 2024

Alternatives, Inc. and Affiliates
Combined Statements of Financial Position
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 1,906,551	\$ 1,496,660
Investments	1,384,229	1,251,578
Grants and contracts receivable	337,692	210,471
Program service fees receivable	2,445,188	2,464,839
Contribution and other receivables	100,800	77,864
Prepaid expenses	186,744	190,565
Total current assets	<u>6,361,204</u>	<u>5,691,977</u>
Right of use asset - operating	<u>97,267</u>	<u>101,362</u>
Right of use asset - financing	<u>155,699</u>	<u>399,119</u>
Property and equipment, net	<u>10,106,567</u>	<u>10,132,326</u>
Other assets		
Escrows and security deposits	95,043	237,319
Cash, replacement reserve and escrows	<u>54,884</u>	<u>69,133</u>
Total other assets	<u>149,927</u>	<u>306,452</u>
Total assets	<u>\$ 16,870,664</u>	<u>\$ 16,631,236</u>
Liabilities and Net Assets		
Current liabilities		
Current portion of long-term debt	\$ 37,592	\$ 36,100
Current portion of lease liabilities - operating	51,526	41,843
Current portion of lease liabilities - financing	285,226	243,436
Accounts payable and accrued expenses	2,084,572	1,709,394
Refundable advances	192,002	552,760
Deferred revenue	<u>72,477</u>	<u>50,425</u>
Total current liabilities	2,723,395	2,633,958
Long-term debt, net of current portion	5,038,554	4,863,938
Lease liabilities - operating, net of current portion	46,624	60,117
Lease liabilities - financing, net of current portion	42,908	330,253
Security deposits payable	<u>66,760</u>	<u>208,063</u>
Total liabilities	<u>7,918,241</u>	<u>8,096,329</u>
Net assets		
Without donor restrictions	6,946,882	6,539,366
With donor restrictions	<u>2,005,541</u>	<u>1,995,541</u>
Total net assets	<u>8,952,423</u>	<u>8,534,907</u>
Total liabilities and net assets	<u>\$ 16,870,664</u>	<u>\$ 16,631,236</u>

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

Alternatives, Inc. and Affiliates
Combined Statements of Activities and Changes in Net Assets
Years Ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues						
Grants and contracts	\$ 877,985	\$ -	\$ 877,985	\$ 1,241,563	\$ -	\$ 1,241,563
Contributions of financial assets	202,801	26,500	229,301	233,187	37,000	270,187
Contributions of nonfinancial assets	16,581	-	16,581	10,550	-	10,550
Program service fees	20,504,786	-	20,504,786	18,335,830	-	18,335,830
Management fees	137,772	-	137,772	137,772	-	137,772
Special events	151,653	-	151,653	110,786	-	110,786
Rental income	1,764,265	-	1,764,265	1,668,303	-	1,668,303
Gain on disposal of equipment	750	-	750	-	-	-
Other income	72,174	-	72,174	111,983	-	111,983
	<u>23,728,767</u>	<u>26,500</u>	<u>23,755,267</u>	<u>21,849,974</u>	<u>37,000</u>	<u>21,886,974</u>
Net assets released due to satisfaction of time and purpose restrictions	<u>16,500</u>	<u>(16,500)</u>	<u>-</u>	<u>29,237</u>	<u>(29,237)</u>	<u>-</u>
	<u>23,745,267</u>	<u>10,000</u>	<u>23,755,267</u>	<u>21,879,211</u>	<u>7,763</u>	<u>21,886,974</u>
Expenses						
Program services	21,350,044	-	21,350,044	20,654,974	-	20,654,974
Management and general	1,894,110	-	1,894,110	2,278,759	-	2,278,759
Development fundraising	236,912	-	236,912	263,547	-	263,547
	<u>23,481,066</u>	<u>-</u>	<u>23,481,066</u>	<u>23,197,280</u>	<u>-</u>	<u>23,197,280</u>
Changes in net assets from operations	264,201	10,000	274,201	(1,318,069)	7,763	(1,310,306)
Nonoperating revenues						
Investment return, net	143,315	-	143,315	117,426	-	117,426
Changes in net assets	407,516	10,000	417,516	(1,200,643)	7,763	(1,192,880)
Net assets						
Beginning of year	<u>6,539,366</u>	<u>1,995,541</u>	<u>8,534,907</u>	<u>7,740,009</u>	<u>1,987,778</u>	<u>9,727,787</u>
End of year	<u>\$ 6,946,882</u>	<u>\$ 2,005,541</u>	<u>\$ 8,952,423</u>	<u>\$ 6,539,366</u>	<u>\$ 1,995,541</u>	<u>\$ 8,534,907</u>

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

Alternatives, Inc. and Affiliates
Combined Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating activities		
Changes in net assets	\$ 417,516	\$ (1,192,880)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Unrealized and realized gain on investments	(114,383)	(57,647)
Depreciation expense	444,607	469,282
Bad debt expense	-	29,630
Amortization of right of use asset - operating	43,453	27,081
Amortization of right of use asset - financing	243,420	244,466
Net gain on sale or disposal of property and equipment	(750)	-
Changes in assets and liabilities		
Grants and contracts receivable	(127,221)	344,245
Program service fees receivable	19,651	283,524
Contribution and other receivables	(22,936)	9,783
Prepaid expenses	3,821	(19,558)
Accounts payable and accrued expenses	375,178	4,844
Refundable advances	(360,758)	(855,480)
Deferred revenue	22,052	5,328
Security deposits payable	(141,303)	82,348
Lease liabilities - operating	<u>(43,168)</u>	<u>(26,483)</u>
Net cash provided by (used in) operating activities	<u>759,179</u>	<u>(651,517)</u>
Investing activities		
Purchases of property and equipment	(418,098)	(333,743)
Purchase of investments and reinvested earnings	(100,921)	(27,878)
Proceeds from sale of investments	<u>82,653</u>	<u>934,206</u>
Net cash provided by (used in) investing activities	<u>(436,366)</u>	<u>572,585</u>
Financing activities		
Issuance of long-term debt	212,018	-
Repayments of lease liabilities - financing	(245,555)	(218,071)
Repayments on long-term debt	<u>(35,910)</u>	<u>(96,324)</u>
Net cash used in financing activities	<u>(69,447)</u>	<u>(314,395)</u>
Net change in cash, cash equivalents and restricted cash	253,366	(393,327)
Cash, cash equivalents and restricted cash		
Beginning of year	<u>1,803,112</u>	<u>2,196,439</u>
End of year	<u>\$ 2,056,478</u>	<u>\$ 1,803,112</u>

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

Alternatives, Inc. and Affiliates
Combined Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash, cash equivalents and restricted cash as reported within the combined statements of financial position		
Cash and cash equivalents	\$ 1,906,551	\$ 1,496,660
Escrows and security deposits	95,043	237,319
Cash, replacement reserve and escrows	54,884	69,133
	<u>\$ 2,056,478</u>	<u>\$ 1,803,112</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	<u>\$ 157,971</u>	<u>\$ 71,426</u>
Contributed nonfinancial assets	<u>\$ 16,581</u>	<u>\$ 10,550</u>
Noncash financing activity		
Right of use asset obtained through operating lease liabilities	<u>\$ 39,358</u>	<u>\$ 128,443</u>
Right of use asset obtained through financing lease liabilities	<u>\$ -</u>	<u>\$ 89,587</u>

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

Alternatives, Inc. and Affiliates
Combined Statement of Functional Expenses
Year Ended June 30, 2024

	Program Services				Management and General	Development Fundraising	Total
	Residential Programs	Community Programs	Affordable Housing Programs	Total Program Services			
Salaries	\$ 12,554,467	\$ 1,789,610	\$ 81,607	\$ 14,425,684	\$ 1,213,906	\$ 138,879	\$ 15,778,469
Fringe benefits and payroll taxes	2,245,865	321,799	17,266	2,584,930	267,377	30,857	2,883,164
Occupancy	847,414	36,677	580,947	1,465,038	4,420	488	1,469,946
Consultants and contracted services	193,501	25,897	65,749	285,147	131,373	7,010	423,530
Office supplies, postage and printing	26,298	22,917	3,088	52,303	24,787	2,391	79,481
Specific assistance to clients and household supplies	621,520	93,224	333	715,077	-	-	715,077
Insurance	246,580	56,095	59,201	361,876	30,779	380	393,035
Interest expense	24,471	8,831	26,755	60,057	891	-	60,948
Equipment lease and maintenance	52,357	57,783	3,882	114,022	41,851	2,098	157,971
Depreciation expense	130,480	96,866	204,390	431,736	12,713	158	444,607
Financing lease amortization	243,420	-	-	243,420	-	-	243,420
Travel and transportation	155,275	70,058	3,054	228,387	9,913	321	238,621
Telephone and communication	224,376	19,616	4,331	248,323	40,695	1,951	290,969
Training, conference and meetings	15,821	5,279	416	21,516	8,090	190	29,796
Physicals, fees and subscriptions	45,422	5,019	18,172	68,613	49,764	504	118,881
Advertisements, promotion, and recruitment	-	-	-	-	44,423	2,062	46,485
Equipment and accessories	35,876	2,952	5,087	43,915	1,530	191	45,636
Special event expenses	-	-	-	-	-	49,432	49,432
Contribution expense	-	-	-	-	11,598	-	11,598
	<u>\$ 17,663,143</u>	<u>\$ 2,612,623</u>	<u>\$ 1,074,278</u>	<u>\$ 21,350,044</u>	<u>\$ 1,894,110</u>	<u>\$ 236,912</u>	<u>\$ 23,481,066</u>

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

Alternatives, Inc. and Affiliates
Combined Statement of Functional Expenses
Year Ended June 30, 2023

	Program Services				Management and General	Development Fundraising	Total
	Residential Programs	Community Programs	Affordable Housing Programs	Total Program Services			
Salaries	\$ 12,453,120	\$ 1,448,202	\$ 101,088	\$ 14,002,410	\$ 1,534,835	\$ 148,509	\$ 15,685,754
Fringe benefits and payroll taxes	2,197,535	229,687	30,002	2,457,224	288,391	38,321	2,783,936
Occupancy	743,799	48,531	408,808	1,201,138	21,198	609	1,222,945
Consultants and contracted services	224,157	26,237	100,429	350,823	126,321	6,726	483,870
Office supplies, postage and printing	58,379	23,638	3,094	85,111	37,170	552	122,833
Specific assistance to clients and household supplies	551,222	114,088	224	665,534	-	-	665,534
Insurance	261,190	55,995	33,383	350,568	40,241	436	391,245
Interest expense	24,728	7,953	29,958	62,639	5,398	8	68,045
Equipment lease and maintenance	31,294	52,311	2,612	86,217	33,878	2,042	122,137
Depreciation expense	196,947	61,466	190,444	448,857	19,980	445	469,282
Financing lease amortization	244,466	-	-	244,466	-	-	244,466
Travel and transportation	174,276	34,101	1,958	210,335	10,853	238	221,426
Telephone and communication	262,595	19,566	4,595	286,756	36,457	1,959	325,172
Training, conference and meetings	13,117	7,002	128	20,247	5,252	392	25,891
Physicals, fees and subscriptions	62,197	6,834	3,821	72,852	48,476	391	121,719
Advertisements, promotion, and recruitment	612	9,160	3	9,775	60,509	2,158	72,442
Equipment and accessories	48,497	17,413	4,482	70,392	3,900	576	74,868
Special event expenses	-	-	-	-	-	50,185	50,185
Bad debt expense	-	-	29,630	29,630	-	-	29,630
	<u>\$ 17,548,131</u>	<u>\$ 2,162,184</u>	<u>\$ 944,659</u>	<u>\$ 20,654,974</u>	<u>\$ 2,278,759</u>	<u>\$ 263,547</u>	<u>\$ 23,197,280</u>

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

Alternatives, Inc. and Affiliates
Notes to Combined Financial Statements
June 30, 2024 and 2023

1. NATURE OF ACTIVITY

Alternatives, Inc. is a private New Jersey nonprofit corporation established in 1980 for the purpose of providing comprehensive support services to individuals with developmental disabilities. Services were later expanded to include populations with mental illness, homeless families, and others with special needs. The mission of Alternatives, Inc. is to enable individuals to reach their highest level of independence and integration in the community by providing residential opportunities coupled with comprehensive support services. Alternatives, Inc. serves people with developmental disabilities, mental health consumers, people who are deaf and hard of hearing, students with disabilities and homeless individuals and families. Alternatives, Inc. provides support to enable each person to successfully maintain an independent lifestyle in either a private or supervised living environment. Each person who chooses Alternatives, Inc. has a program designed to meet his or her individual needs with a myriad of support services at their disposal. The combination of clinical services, housing, employment, transition and other services are all tailored to fit the individual needs, wants and level of independence of each person served.

Alternatives, Inc. is primarily funded by the State of New Jersey through the Medicaid program which provides funding for residential clients, community support services, employment, support coordination and day program fees. Other funding is derived from contracts with other government agencies, rental income and private contributions from corporations, foundations and individuals in the community.

ADTI Housing Corp (“ADTI”) is a private nonprofit corporation established in 1993 for the purpose of providing affordable housing to consumers of Alternatives, Inc. and low and moderate income members of the general public. ADTI is primarily funded by rental income from its tenants, rental subsidies, property management fees, contributions from the Somerset County Community Development Office and private contributions from corporations, foundations, and individuals in the community.

600 First Avenue Condominium Association (the “Association”) is a private nonprofit corporation established for the purpose of providing maintenance, preservation, and control of common areas at 600 First Avenue in Raritan, New Jersey. Effective July 1, 2012, the Association came under the control of ADTI, and therefore, the assets, net assets, revenues, and expenses of the Association have been included in these combined financial statements.

Collectively, the three entities are referred to as the “Agency.”

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Combination

The assets, liabilities, net assets, revenues and expenses of Alternatives, Inc., ADTI Housing Corp and 600 First Avenue Condominium Association have been combined as Alternatives, Inc. and Affiliates. The companies share common management and board members, and there is an economic interest between the entities. All related transactions, including revenues and expenses, intercompany receivables, and intercompany payables, have been eliminated.

Basis of Presentation

The accompanying combined financial statements are prepared on the accrual basis and in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Financial reporting by not-for-profit organizations requires that resources be classified for accounting purposes into net asset categories according to externally (donor) imposed restrictions.

Alternatives, Inc. and Affiliates
Notes to Combined Financial Statements
June 30, 2024 and 2023

Based on the existence or absence of donor-imposed restrictions, the Agency classifies resources into the following two categories:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Agency. These net assets may be used at the discretion of the Agency's management and the Board of Trustees.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Agency or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Intermediate Measure of Operations

The accompanying combined statements of activities and changes in net assets distinguish between operating and nonoperating activities. Operating activities principally include all revenues and expenses that are an integral part of the Agency's programs and supporting activities. Nonoperating activities principally include investment income (loss).

Revenue and Support Recognition

Contribution Revenue and Grants and Contracts

The Agency recognizes contributions, including unconditional promises to give, as revenue in the period received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right to return or release, are not recognized in revenue until the conditions on which they depend have been substantially met. Contributions, net assets and changes therein are classified and reported based on the existence or absence of donor-imposed restrictions. Revenue from government and private grant and contract agreements, which are generally considered nonexchange transactions, is recognized when qualifying expenditures are incurred and conditions under the agreements are met. Grant funds received in advance of the expenditures incurred are recorded as refundable advances. Grant funds expended in advance of reimbursement from the funding source are classified as grants and contracts receivable in the combined statements of financial position. The Agency had conditional contributions at June 30, 2024 and 2023, of which \$192,002 and \$552,760, respectively, is included in refundable advances. The Agency assesses contributions and grants receivable for collectability and determined no allowance for doubtful accounts was required at June 30, 2024 and 2023. All contributions receivable and grants and contracts receivable are expected to be collected in the year ending June 30, 2025.

When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities and changes in net assets as net assets released from restrictions.

Special Events

Fundraising revenue is composed of payments received from third parties (individuals and corporations) to support and/or attend fundraising events. Fundraising revenue includes an exchange transaction component for the value of the goods or services received, which follows revenue recognition guidance under Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers*. The amount paid by individuals and corporations that is above the value of goods or services received is considered a contribution. Revenue is recognized at the point in time that the fundraising event occurs.

Alternatives, Inc. and Affiliates
Notes to Combined Financial Statements
June 30, 2024 and 2023

Program Service Fees

The Agency provides day rehabilitation, residential and other services to its clients. The Agency accounts for these revenues in accordance with ASC 606. The Agency bills Medicaid on a weekly basis, and revenue is recognized over time as performance obligations are satisfied.

Contribution to Care Revenue

The Agency accounts for contribution to care revenue in accordance with ASC 606. Contribution to care revenue represents a monthly non-reimbursable expense fee to each residential client to cover expenses that the Agency is not reimbursed for under New Jersey's fee-for-service reimbursement system. A monthly charge is issued to each program participant. This revenue is included in program service fees on the combined statements of activities and changes in net assets.

Rental Income

The Agency accounts for rental income in accordance with ASC 842, *Leases*. Rental income is charged based on established rates and recorded monthly in the period when it is earned. Rental income is provided by both tenants and the New Jersey Department of Community Affairs through Supportive Housing.

Contributions of Nonfinancial Assets

The Agency records donations of nonfinancial assets, including donated services, at the fair market value of those services for those that meet the criteria for recognition in accordance with ASC 958. The Agency had approximately \$17,000 and \$11,000 of in-kind donations for the years ended June 30, 2024 and 2023, respectively, which were included in contributions of nonfinancial assets in the combined statements of activities and changes in net assets. The Agency also receives donated services from volunteers, officers and directors and affiliated organizations to support fundraising and administrative efforts. The value of these donated services is not included in these combined financial statements as they do not meet the criteria for recognition under not-for-profit accounting standards.

Third-Party Payors

The Agency has agreements with third-party payors that provide for the payment for services rendered at amounts different from its established rates. A summary of the payment arrangement with major third-party payors is as follows:

Medicaid and State of New Jersey: The Agency is paid for residential and day program services under the State of New Jersey Medicaid program and New Jersey Department of Human Services Contracted Provider program for certain services. State regulations provide certain adjustments to current and prior years' payment rates, based on published rates and tiers of the individuals being served.

Other Third-Party Payors: The Agency has entered into payment agreements with New Jersey Supportive Housing and the U.S. Department of Housing and Urban Development. The basis for payment to the Agency under these agreements includes prospectively determined amounts based on resident income and rent charges.

Alternatives, Inc. and Affiliates
Notes to Combined Financial Statements
June 30, 2024 and 2023

Performance Obligations

Each program participant has a contract with the Agency, and the rates and other information for service are provided to the Agency by the State of New Jersey through the Medicaid and Contracted Provider program. The Agency records service revenue at the amount that reflects the consideration to which the Agency expects to be entitled in exchange for providing residential and day program services. Residential and day program service revenue consists of amounts charged for services rendered less estimated discounts for contractual and other allowances for residents and attendees covered by Medicaid. Medicaid revenue is recognized as performance obligations are satisfied. Generally, the Agency bills the fee for service revenue to the State of New Jersey through the Medicaid program on a weekly basis. Other client service fees and rental income are billed on a monthly basis.

Performance obligations are determined based on the nature of the services provided by the Agency and are generally broken down into incremental units of service based on hours or services provided. Medicaid revenue for performance obligations is satisfied over time and is recognized based on actual charges incurred in relation to services provided. The Agency believes that this method provides a reasonable depiction of the transfer of services to satisfy the obligation.

The Agency measures the performance obligation related to the group homes, over time, from the time when the resident moves in to the point when it is no longer required to provide services to that resident, which is generally at the time when he or she moves out. The Agency measures the performance obligation related to the day program facilities from admission to the facility for the day to the point when there are no further services required for the program participant, which is generally at the end of the respective day.

Amounts received under the State of New Jersey Medicaid program are subject to review and final determination. The Agency keeps a copious amount of records to ensure that it properly records all services provided for the residents and follows Medicaid guidelines. By following these guidelines, the Agency ensures that it is able to be reimbursed for the majority, if not all, of the revenue from Medicaid.

Laws and regulations governing the Medicaid programs are complex and subject to interpretation. As a result, there is a possibility that recorded estimates could change by a material amount if, under audit, charges are disallowed. Management periodically reviews recorded amounts receivable from, or payable to, third-party payors and adjusts these balances as new information becomes available.

Contract Assets, Receivables and Contract Liabilities

Contract assets represent services provided which are not yet billed to the third-party payor or the consumer. Contract liabilities represent funds received in advance of services provided. Receivables represent amounts billed for the services provided.

The following represents program service fees receivable and deferred revenue at June 30:

	<u>Accounts Receivable</u>		<u>Deferred Revenue</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Beginning of the year	\$ 2,464,839	\$ 2,777,993	\$ 50,425	\$ 45,097
End of the year	\$ 2,445,188	\$ 2,464,839	\$ 72,477	\$ 50,425

There were no contract assets at June 30, 2024 and 2023.

Alternatives, Inc. and Affiliates
Notes to Combined Financial Statements
June 30, 2024 and 2023

Cash Equivalents

Cash equivalents are short-term, highly liquid investments with a maturity date of three months or less on the date of acquisition.

Program Service Fees Receivable

Included in program service fees receivable are Medicaid fees receivable that represent receivables billed to New Jersey under the Medicaid program. These receivables are unsecured, non-interest-bearing obligations due based on billings performed. The billings performed are based on contractual rates as issued by the New Jersey Department of Human Services. The Agency evaluates the need for allowances for potential credit losses. Any allowance for potential credit losses is estimated based on the Agency's historical losses, the existing economic conditions in the industry, reasonable and supportable forecasts, and the financial stability of its customers. No allowance was considered necessary for either of the years ended June 30, 2024 and 2023.

Investments

The Agency's investments consist mainly of equity securities. Investments in equity securities with readily determinable values and all investments in debt securities are measured at fair value in the combined statements of financial position. Donated investments are recorded at fair value at the date of receipt. Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the combined statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless the use was restricted by explicit donor stipulations or by law. Investment return includes interest, dividends, realized and unrealized gains (losses) and direct internal and external investment expenses.

Property and Equipment

Property and equipment purchases are recorded at cost, except for donated items, which are recorded at their fair value on the date of donation. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The principal rates for computing depreciation by major asset category are as follows:

<u>Description</u>	<u>Estimated Life (Years)</u>
Buildings	30
Building renovations	30
Office equipment and appliances	5
Transportation equipment	5

When an asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts. Maintenance, repairs and minor renewals are charged to operations as incurred.

Valuation of Long-Lived Assets

The Agency reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Management has determined that no assessment was required for the periods presented in these combined financial statements.

Alternatives, Inc. and Affiliates
Notes to Combined Financial Statements
June 30, 2024 and 2023

Grant and Contribution Expenses

The Agency recognizes grant and contribution expenses, including unconditional promises to give, as an expense in the period made. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right to return, are not recognized in expense until the conditions on which they depend have been substantially met.

Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis based either on a direct costing method for charging expenses to each program or function, or on an allocation formula applied to certain costs that is consistent with the benefit derived by each program and is performed on an equitable method.

The expenses that are allocated and the method of allocation are as follows:

<u>Expense Category</u>	<u>Allocation Methodology</u>
Salaries	Time and effort
Fringe benefits and payroll taxes	Salaries
Other direct expenses not directly charged	Total direct expenses

The Agency's programs have been presented in the following groupings:

Residential Programs

Residential programs include group homes, supervised apartments, a supportive living program, transitional housing and permanent supportive housing. Today, over 400 individuals living in the New Jersey counties of Somerset, Hunterdon, Warren, Monmouth, Ocean and Middlesex participate in a variety of Alternatives, Inc. programs and services including residential, transition, quality support, clinical and community outreach services.

Community Programs

Community programs include programs dedicated to servicing individuals in both Warren and Somerset Counties, New Jersey, in recovery from mental illness as well as homeless individuals and those with substance abuse issues. In addition, the Agency provides housing and services to homeless individuals and families to transition them into a permanent housing situation. Included in community programs are employment programs such as Bridges to Employment, which helps people with a broad spectrum of skills and abilities find successful employment. The program provides pre-employment evaluation, preparation and job matching services. After a job match is made, career facilitators provide ongoing support to both the client and the employer to ensure success and satisfaction. The program also offers education to employers to increase their understanding of hiring people with disabilities.

Affordable Housing Programs

Affordable housing is offered to consumers of Alternatives, Inc. through Agency sponsored projects to offset the high cost of rentals and to help overcome the obstacles often associated with the limited incomes of people with special needs. Alternatives, Inc. works to increase the number of affordable homes using a variety of models to provide real housing solutions specific to the clientele. The housing department engages in every aspect of property development including grant writing to secure capital funding for new projects, raising funds for rehabilitation of existing projects, coordinating operating funds with service staff, monitoring ongoing construction projects and offering comprehensive property management services.

Alternatives, Inc. and Affiliates
Notes to Combined Financial Statements
June 30, 2024 and 2023

Estimates

The preparation of combined financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

Alternatives, Inc. and ADTI are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and exempt from state taxes under state law. The Association is exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code. Accordingly, no provision or liability for income taxes has been recorded in the combined financial statements. Management has determined that there are no uncertain tax positions at the Agency as of June 30, 2024 and 2023. In addition, there are no income tax related penalties or interest for the periods reported in these combined financial statements. The Agency had no income taxes for the years ended June 30, 2024 and 2023.

Leases

The Agency categorizes leases with contractual terms longer than twelve months as either operating or finance. Finance leases are generally those leases that allow the Agency to substantially utilize or pay for the entire asset over its estimated life. All other leases are categorized as operating leases. Leases with contractual terms of 12 months or less are not recorded on the combined statements of financial position.

Certain lease contracts include obligations to pay for other services, such as operations, property taxes, and maintenance. For leases of property, the Agency accounts for these other services as a component of the lease.

Lease liabilities are recognized at the present value of the fixed lease payments, using a discount rate based on similarly secured borrowings available to the Agency and discount rates based on the applicable risk-free rate. Right-of-use ("ROU") assets are recognized based on the initial present value of the fixed lease payments, plus any direct costs from executing the leases. Lease assets are tested for impairment in the same manner as long-lived assets used in operations.

Options to extend lease terms, terminate leases before the contractual expiration date, or purchase the leased assets, are evaluated for their likelihood of exercise. If it is reasonably certain that the option will be exercised, the option is considered in determining the classification and measurement of the lease.

Costs associated with operating lease assets are recognized on a straight-line basis within operating expenses over the term of the lease. Finance lease assets are amortized on a straight-line basis over the shorter of the estimated useful lives of the assets or the lease term. The interest component of a finance lease is included in interest expense and recognized using the effective interest method over the lease term.

Newly Adopted Accounting Pronouncements

Financial Instruments-Credit Losses

In June 2016, the Financial Accounting Standards Board issued an Accounting Standards Update ("ASU") amending the accounting for credit losses on financial instruments. This methodology replaces the incurred loss methodology with the expected credit losses using a wide range of reasonable and supportable information. The amendment affects loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposure, and other financial instruments recorded at amortized cost. The Agency adopted the new standard effective July 1, 2023, using the modified retrospective approach. The adoption of this ASU did not have a material impact on the combined financial statements.

Alternatives, Inc. and Affiliates
Notes to Combined Financial Statements
June 30, 2024 and 2023

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

As of June 30, 2024 and 2023, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses, were as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,906,551	\$ 1,496,660
Investments	1,384,229	1,251,578
Grants and contracts receivable	337,692	210,471
Program service fees receivable	2,445,188	2,464,839
Contribution and other receivables	<u>100,800</u>	<u>77,864</u>
Total financial assets	6,174,460	5,501,412
Less: Amounts not available to be used within one year		
Net assets with donor restrictions	<u>(25,962)</u>	<u>(15,962)</u>
Total financial assets available within one year	6,148,498	5,485,450
Liquidity resources		
Undrawn lines of credit	<u>1,500,000</u>	<u>1,500,000</u>
Total financial assets and liquidity resources available within one year	<u>\$ 7,648,498</u>	<u>\$ 6,985,450</u>

The Agency manages its financial assets to be available as its operating expenditures, liabilities and other obligations become due. The Agency's cash flows have fluctuations during the year attributable to the timing of operations and repayment from funding sources and Medicaid. The Agency has a line of credit (see Note 8), which can be drawn upon in the event of an immediate liquidity need.

4. PROGRAM SERVICE FEES RECEIVABLE

Program service fees receivable consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Medicaid fees	\$ 2,109,288	\$ 2,329,224
Other services	<u>335,900</u>	<u>135,615</u>
	<u>\$ 2,445,188</u>	<u>\$ 2,464,839</u>

5. GRANTS AND CONTRACTS RECEIVABLE AND REFUNDABLE ADVANCES

The Agency operates under various grants and contracts. At June 30, 2024 and 2023, the Agency was due certain amounts from funding sources which resulted from expenditures incurred in excess of payments received. The Agency has a long-standing history of collecting all receivables from government agencies. Therefore, no allowance has been recorded for either of the years ended June 30, 2024 and 2023.

Alternatives, Inc. and Affiliates
Notes to Combined Financial Statements
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The Agency also received funds in excess of expenditures incurred, resulting in refundable advances on contracts that have ended or on contracts that continue into the subsequent year. The following details the grants and contracts receivable and refundable advances at June 30:

Grants and Contracts Receivable

<u>Funding Agency</u>	<u>2024</u>	<u>2023</u>
U.S. Department of Housing and Urban Development	\$ 63,150	\$ 35,419
Somerset County, NJ Department of Human Services	274,542	175,052
	<u>\$ 337,692</u>	<u>\$ 210,471</u>

Refundable Advances

<u>Funding Agency</u>	<u>2024</u>	<u>2023</u>
NJ Division of Mental Health and Addition Services	\$ 192,002	\$ 552,760

6. PROPERTY AND EQUIPMENT

Property and equipment, shown net of accumulated depreciation at June 30, 2024 and 2023, consist of the following:

	<u>2024</u>	<u>2023</u>
Land	\$ 1,779,858	\$ 1,779,858
Buildings and renovations	13,785,832	13,564,341
Construction in progress	1,848,137	1,652,092
Office equipment and appliances	240,834	240,834
Transportation equipment	<u>800,483</u>	<u>800,483</u>
	18,455,144	18,037,608
Accumulated depreciation	<u>8,348,577</u>	<u>7,905,282</u>
	<u>\$ 10,106,567</u>	<u>\$ 10,132,326</u>

Depreciation expense totaled \$444,607 and \$469,282 for the years ended June 30, 2024 and 2023, respectively, and is shown with amortization expense in the combined statements of functional expenses.

The Agency has several projects ongoing included in construction in progress whereby homes were purchased and are in various stages of renovation in order to open new program operations.

Alternatives, Inc. and Affiliates
Notes to Combined Financial Statements
June 30, 2024 and 2023

7. RESTRICTED CASH

The Agency's restricted cash consists of escrow accounts, replacement reserve accounts and funds held on behalf of consumers as representative payee. Escrow accounts and replacement reserves have been recorded as required by various funding sources and agreements for repairs and maintenance and other project costs. These amounts are restricted as to use in conformity with the requirements of the funder. Cash for security deposits for tenants has also been recorded with the escrow accounts, as the funds are payable to the tenants at the end of the lease.

8. LINE OF CREDIT

The Agency has a \$500,000 secured commercial line of credit with a financial institution, which has no maturity date and bears interest at the U.S. prime rate, but with a minimum rate of 4.5%, and is secured by investments. There were no drawdowns on this line of credit during the years ended June 30, 2024 and 2023.

The Agency has a second \$1,000,000 unsecured commercial line of credit with a financial institution, which has no maturity date, and bears interest at the U.S. prime rate, but with a minimum rate of 5.0%. There were no drawdowns on this line of credit during the years ended June 30, 2024 and 2023.

9. LONG-TERM DEBT

Long-term debt, all of which is secured by land and buildings, is composed of the following (debt is secured by the property indicated in parenthesis) as of June 30:

	<u>2024</u>	<u>2023</u>
Mortgage payable at 1% fixed rate, payable in annual installments equal to 50% of the available cash flows from the property, commencing September 2006, with a final payment due at maturity date of August 2031.	\$ 1,975,000	\$ 1,975,000
Mortgage payable at the Federal Home Loan Bank fixed advanced rate plus 1.0%, currently 4%, payable in 24 monthly installments of interest followed by 275 monthly installments of \$5,206 including interest that started in August 2009. Matures on July 20, 2032. (Belvidere)	632,246	668,219
Mortgage payable at -0-% interest, due June 2037, payable in annual installments of 25% of the annual cash flows from the property. (W. Maple Street, Bound Brook)	397,891	397,891
Mortgage payable at -0-% interest, due May 2045, payable in annual installments of 25% of the annual cash flows from the property. (Kappus Road, Alexandria Township)	401,380	401,380
Mortgage payable at -0-% interest, due November 2045, payable in annual installments of 25% of the annual cash flows from the property. (New Amwell Supportive Housing, Hillsborough)	414,558	414,558
Mortgage payable at -0-% interest, due June 2037, payable in annual installments of 25% of the annual cash flows from the property. (Johnson Road, Franklin Township)	247,829	247,829

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Notes to Combined Financial Statements
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	<u>2024</u>	<u>2023</u>
Mortgage payable at -0-% interest, due November 2047, payable in annual installments of 25% of the annual cash flows from the property. (Bartle Road, Franklin Township)	\$ 250,000	\$ 250,000
Mortgage payable at -0-% interest, due May 2047, payable in annual installments of 25% of the annual cash flows from the property. (Vince Road, Franklin Township)	211,070	211,070
Mortgage payable at -0-% interest, due May 2052, payable in annual installments of 25% of the annual cash flows from the property. (Amwell Road, Hillsborough)	334,091	334,091
Mortgage payable at -0-% interest, due June 2055, payable in annual installments of 25% of the annual cash flows from the property. (South Branch Rd, Trenton)	<u>212,081</u>	<u>-</u>
	5,076,146	4,900,038
Less: Amounts due within one year	<u>(37,592)</u>	<u>(36,100)</u>
	<u>\$ 5,038,554</u>	<u>\$ 4,863,938</u>

Maturities of long-term debt for the next five years and thereafter are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2025	\$ 37,592
2026	39,145
2027	40,762
2028	42,446
2029	44,200
Thereafter	<u>4,872,001</u>
	<u>\$ 5,076,146</u>

10. RECURRING FAIR VALUE MEASUREMENTS

The Agency has provided fair value disclosure information for relevant assets and liabilities in these combined financial statements. For applicable assets (liabilities) subject to this pronouncement, the Agency values such assets (liabilities) using quoted market prices in active markets for identical assets to the extent possible (Level 1). To the extent that such market prices are not available, the Agency values such assets (liabilities) using observable measurement criteria, including quoted market prices of similar assets (liabilities) in active and inactive markets and other corroborated factors (Level 2).

Alternatives, Inc. and Affiliates
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In the event that quoted market prices in active markets and other observable measurement criteria are not available, the Agency develops measurement criteria based on the best information available (Level 3). The following tables summarize assets (liabilities) that have been accounted for at fair value on a recurring basis as of June 30, 2024 and 2023, along with the basis for the determination of fair value:

	2024			
	Total	Quoted Prices in Active Markets (Level 1)	Observable Measurement Criteria (Level 2)	Unobservable Measurement Criteria (Level 3)
Mutual funds				
U.S. equities	\$ 257,705	\$ 257,705	\$ -	\$ -
Exchange-traded funds	1,116,269	1,116,269	-	-
Taxable fixed income	10,255	10,255	-	-
	<u>\$ 1,384,229</u>	<u>\$ 1,384,229</u>	<u>\$ -</u>	<u>\$ -</u>
	2023			
	Total	Quoted Prices in Active Markets (Level 1)	Observable Measurement Criteria (Level 2)	Unobservable Measurement Criteria (Level 3)
Mutual funds				
U.S. equities	\$ 230,078	\$ 230,078	\$ -	\$ -
Bond funds	208	208	-	-
Exchange-traded funds	1,003,999	1,003,999	-	-
Taxable fixed income	15,793	15,793	-	-
Other assets	1,500	1,500	-	-
	<u>\$ 1,251,578</u>	<u>\$ 1,251,578</u>	<u>\$ -</u>	<u>\$ -</u>

Investment income related to these investments is included with investment return, net in the combined statements of activities and changes in net assets for the years ended June 30, 2024 and 2023, and was composed of the following:

	2024	2023
Dividend income	\$ 38,876	\$ 51,884
Realized gains (losses)	55,251	(88,062)
Unrealized gains	59,132	145,777
Interest on cash accounts	2,348	20,631
Investment fees	(12,292)	(12,804)
Investment return, net	<u>\$ 143,315</u>	<u>\$ 117,426</u>

Alternatives, Inc. and Affiliates
Notes to Combined Financial Statements
June 30, 2024 and 2023

11. LEASES

The Agency leases program space under a long-term, noncancelable operating lease agreement. The lease expires in October 2025.

The Agency entered into various financing lease agreements to purchase vehicles and rent water coolers. These leases expire at various dates throughout 2028.

Because the rates implicit in the operating leases are generally not available, the Agency utilizes the risk free rate as the discount rate for its operating leases. The financing lease rates were implicit in the lease, therefore those rates were used.

The following is a maturity analysis of the annual discounted cash flows of the operating lease liabilities as of June 30, 2024:

2025	\$ 55,589
2026	24,829
2027	9,300
2028	9,300
2029	<u>8,525</u>
	107,543
Less: Imputed interest	<u>(9,393)</u>
	<u>\$ 98,150</u>

The following is a maturity analysis of the annual discounted cash flows of the finance lease liabilities as of June 30, 2024:

2025	\$ 295,221
2026	21,164
2027	21,164
2028	<u>4,092</u>
	341,641
Less: Imputed interest	<u>(13,507)</u>
	<u>\$ 328,134</u>

Operating lease expense consists of monthly lease payments. Operating lease expense for the years ended June 30, 2024 and 2023, was \$45,849 and \$30,461, respectively, short-term lease expense was \$105,830 and \$138,699, respectively, and both were included in occupancy costs in the combined statements of functional expenses. For the years ended June 30, 2024 and 2023, financing lease expense included amortization of \$243,420 and \$244,466, respectively, which is broken out on the combined statements of functional expenses and \$34,577 and \$37,562, respectively, of interest expense included in interest expense on the combined statements of functional expenses.

The weighted average discount rate associated with the operating leases as of June 30, 2024 and 2023, is 4.53% and 4.48%, respectively. The weighted average operating lease term as of June 30, 2024 and 2023, was 2.75 years and 2.33 years, respectively. Cash paid for amounts included in the measurement of operating lease liabilities was \$47,718 and \$29,864, respectively.

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The weighted average discount rate associated with the financing leases as of June 30, 2024 and 2023 is 6.66% and 6.70%, respectively. The weighted average financing lease term as of June 30, 2024 and 2023, was 0.95 years and 1.75 years, respectively. Cash paid for amounts included in the measurement of financing lease liabilities was \$275,894 and \$250,568, respectively, which included cash flow from financing activities of \$246,989 and \$218,071, respectively, and cash flow from operating activities of \$29,905 and \$32,497, respectively.

12. MINIMUM FUTURE RENTALS UNDER OPERATING LEASES

Rental income under noncancelable leases for leased office and residential facilities amounted to approximately \$1,764,000 and \$1,668,000 for the years ended June 30, 2024 and 2023, respectively. The minimum future annual rentals for existing noncancelable operating leases, assuming renewals, are approximately \$1,764,000 which is due during the year ending June 30, 2025.

13. RETIREMENT PLAN

The Agency sponsors a 401(k) employee retirement plan for all eligible employees. All employees may make voluntary contributions to the plan. The Agency may make an annual discretionary employer contribution under a separate profit-sharing component of the retirement plan for all eligible employees who have attained the age of 21 years and performed at least 1,000 hours of work within the fiscal year. Participants in the plan become vested in the employer contributions 25%, 50% and 100% after their second, third and fourth years, respectively. In addition, the Agency established a discretionary matching contribution for each payroll period based on employee contributions of 50% for up to a maximum of 6% of compensation.

The Agency's matching contribution amounted to approximately \$143,000 and \$137,000 for the years ended June 30, 2024 and 2023, respectively. It is the Agency's policy to fund pension expense currently.

14. CONCENTRATIONS

Credit Risk

Financial investments, which potentially subject the Agency to concentrations of credit risk, consist of cash, cash equivalents, investments and receivables. At various times throughout the year, the Agency has cash balances in excess of Federal Deposit Insurance Corporation insurance coverage. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Agency's financial condition, results of operations, and cash flows. Receivables are due from various governmental agencies and municipalities with whom the Agency has a long history of collecting payment, which reduces the credit risk.

The Agency invests in various investments which are exposed to various risks such as interest rate, credit and overall volatility risks. Due to the level of risk with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the Agency's account balances and the amounts reported in the accompanying combined financial statements.

Economic Dependency

For the years ended June 30, 2024 and 2023, Alternatives, Inc.'s majority of revenue was from the State of New Jersey Medicaid program. For the years ended June 30, 2024 and 2023, revenue from Medicaid was 83% and 80%, respectively, of total revenue. The loss or significant reduction of this revenue would have a material effect on the Agency.

Alternatives, Inc. and Affiliates
Notes to Combined Financial Statements
June 30, 2024 and 2023

15. NET ASSETS WITH DONOR RESTRICTIONS

Components of net assets with donor restrictions at June 30, 2024 and 2023, are as follows:

	<u>2024</u>	<u>2023</u>
Assets purchased/donated with state or federal contract funds - net of depreciation	\$ 1,979,579	\$ 1,979,579
Client needs	25,962	15,962
	<u>\$ 2,005,541</u>	<u>\$ 1,995,541</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors for the years ended June 30, 2024 and 2023, as follows:

	<u>2024</u>	<u>2023</u>
Time restrictions	\$ -	\$ 800
Purpose restrictions	16,500	28,437
	<u>\$ 16,500</u>	<u>\$ 29,237</u>

16. COMMITMENTS AND CONTINGENCIES

Contingent Liabilities

At each of the years ended June 30, 2024 and 2023, the Agency has contingent liabilities to the Somerset County Home Fund amounting to approximately \$1,515,000, related to the acquisition of low-income housing. In accordance with these agreements, these facilities must be used for low-income housing and are structured as 15-30 year commitments that expire from 2023 through 2052.

At each of the years ended June 30, 2024 and 2023, the Agency has contingent liabilities to the State of New Jersey, Department of Human Services, amounting to approximately \$787,000, related to the acquisition and renovation of housing for individuals with developmental disabilities. In accordance with these agreements, these facilities must be used for housing individuals with developmental disabilities. Should the Agency not use the properties for the purposes intended or not keep the properties in good substantial repair, these amounts may become due at the option of the State of New Jersey.

Grant Compliance

The Agency participates in state financial assistance programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives.

17. CONTRIBUTIONS OF NON-FINANCIAL ASSETS

The Agency recognized contributed nonfinancial assets within revenue, including household goods, food and clothing, amounting to \$16,581 and \$10,550 for the years ended June 30, 2024 and 2023, respectively. Contributed nonfinancial assets did not have donor-imposed restrictions. Contributed household goods, food and clothing were used in the programs.

In valuing household goods, food and clothing, the Agency estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

Alternatives, Inc. and Affiliates
Notes to Combined Financial Statements
June 30, 2024 and 2023

18. SUBSEQUENT EVENTS

The Agency has evaluated subsequent events occurring after the combined statement of financial position date through the date of November 18, 2024, the date the combined financial statements were available for release. The Agency has determined that no subsequent events have occurred, which require disclosure in or adjustment to the combined financial statements.

SUPPLEMENTARY INFORMATION

Alternatives, Inc. and Affiliates
Combining Statement of Financial Position
June 30, 2024

	<u>Alternatives, Inc.</u>	<u>ADTI Housing Corp</u>	<u>600 First Avenue Condominium Association</u>	<u>Total</u>	<u>Eliminations</u>	<u>Total</u>
Assets						
Current assets						
Cash and cash equivalents	\$ 1,703,441	\$ 193,947	\$ 9,163	\$ 1,906,551	\$ -	\$ 1,906,551
Investments	760,427	623,802	-	1,384,229	-	1,384,229
Grants and contracts receivable	163,010	174,682	-	337,692	-	337,692
Program service fees receivable	2,421,553	8,435	15,200	2,445,188	-	2,445,188
Contribution and other receivables	100,800	-	-	100,800	-	100,800
Loan receivable, related company	-	1,304,321	361,057	1,665,378	(1,665,378)	-
Prepaid expenses	186,744	-	-	186,744	-	186,744
Total current assets	<u>5,335,975</u>	<u>2,305,187</u>	<u>385,420</u>	<u>8,026,582</u>	<u>(1,665,378)</u>	<u>6,361,204</u>
Right of use asset - operating, net	97,267	-	-	97,267	-	97,267
Right of use asset - financing, net	155,699	-	-	155,699	-	155,699
Property and equipment, net	2,860,190	7,246,377	-	10,106,567	-	10,106,567
Other assets						
Escrows and security deposits	31,220	63,823	-	95,043	-	95,043
Cash, replacement reserve and escrows	39,297	15,587	-	54,884	-	54,884
Total other assets	<u>70,517</u>	<u>79,410</u>	<u>-</u>	<u>149,927</u>	<u>-</u>	<u>149,927</u>
Total assets	<u>\$ 8,519,648</u>	<u>\$ 9,630,974</u>	<u>\$ 385,420</u>	<u>\$ 18,536,042</u>	<u>\$ (1,665,378)</u>	<u>\$ 16,870,664</u>

See Independent Auditor's Report.

Alternatives, Inc. and Affiliates
Combining Statement of Financial Position
June 30, 2024

	<u>Alternatives, Inc.</u>	<u>ADTI Housing Corp</u>	<u>600 First Avenue Condominium Association</u>	<u>Total</u>	<u>Eliminations</u>	<u>Total</u>
Liabilities and Net Assets						
Current liabilities						
Current portion of long-term debt	\$ -	\$ 37,592	\$ -	\$ 37,592	\$ -	\$ 37,592
Current portion of lease liabilities - operating	51,526	-	-	51,526	-	51,526
Current portion of lease liabilities - financing	285,226	-	-	285,226	-	285,226
Loan payable, related company	1,563,932	101,446	-	1,665,378	(1,665,378)	-
Accounts payable and accrued expenses	1,850,509	234,063	-	2,084,572	-	2,084,572
Refundable advances	192,002	-	-	192,002	-	192,002
Deferred revenue	64,246	8,231	-	72,477	-	72,477
Total current liabilities	<u>4,007,441</u>	<u>381,332</u>	<u>-</u>	<u>4,388,773</u>	<u>(1,665,378)</u>	<u>2,723,395</u>
Long-term liabilities						
Long-term debt, net of current portion	397,892	4,640,662	-	5,038,554	-	5,038,554
Lease liabilities - operating, net of current portion	46,624	-	-	46,624	-	46,624
Lease liabilities - financing, net of current portion	42,908	-	-	42,908	-	42,908
Security deposits payable	2,938	63,822	-	66,760	-	66,760
Total liabilities	<u>4,497,803</u>	<u>5,085,816</u>	<u>-</u>	<u>9,583,619</u>	<u>(1,665,378)</u>	<u>7,918,241</u>
Net assets						
Without donor restrictions	2,890,021	3,671,441	385,420	6,946,882	-	6,946,882
With donor restrictions	1,131,824	873,717	-	2,005,541	-	2,005,541
Total net assets	<u>4,021,845</u>	<u>4,545,158</u>	<u>385,420</u>	<u>8,952,423</u>	<u>-</u>	<u>8,952,423</u>
Total liabilities and net assets	<u>\$ 8,519,648</u>	<u>\$ 9,630,974</u>	<u>\$ 385,420</u>	<u>\$ 18,536,042</u>	<u>\$ (1,665,378)</u>	<u>\$ 16,870,664</u>

See Independent Auditor's Report.

Alternatives, Inc. and Affiliates
Combining Statement of Financial Position
June 30, 2023

	<u>Alternatives, Inc.</u>	<u>ADTI Housing Corp</u>	<u>600 First Avenue Condominium Association</u>	<u>Total</u>	<u>Eliminations</u>	<u>Total</u>
Assets						
Current assets						
Cash and cash equivalents	\$ 1,398,409	\$ 98,251	\$ -	\$ 1,496,660	\$ -	\$ 1,496,660
Investments	683,663	567,915	-	1,251,578	-	1,251,578
Grants and contracts receivable	115,689	94,782	-	210,471	-	210,471
Program service fees receivable	2,438,240	26,599	-	2,464,839	-	2,464,839
Contribution and other receivables	77,864	-	-	77,864	-	77,864
Loan receivable, related company	-	1,136,621	313,497	1,450,118	(1,450,118)	-
Prepaid expenses	178,564	12,001	-	190,565	-	190,565
Total current assets	<u>4,892,429</u>	<u>1,936,169</u>	<u>313,497</u>	<u>7,142,095</u>	<u>(1,450,118)</u>	<u>5,691,977</u>
Right of use asset - operating, net	101,362	-	-	101,362	-	101,362
Right of use asset - financing, net	399,119	-	-	399,119	-	399,119
Property and equipment, net	2,929,605	7,202,721	-	10,132,326	-	10,132,326
Other assets						
Escrows and security deposits	163,661	73,658	-	237,319	-	237,319
Cash, replacement reserve and escrows	38,837	15,529	14,767	69,133	-	69,133
Total other assets	<u>202,498</u>	<u>89,187</u>	<u>14,767</u>	<u>306,452</u>	<u>-</u>	<u>306,452</u>
Total assets	<u>\$ 8,525,013</u>	<u>\$ 9,228,077</u>	<u>\$ 328,264</u>	<u>\$ 18,081,354</u>	<u>\$ (1,450,118)</u>	<u>\$ 16,631,236</u>

See Independent Auditor's Report.

Alternatives, Inc. and Affiliates
Combining Statement of Financial Position
June 30, 2023

	<u>Alternatives, Inc.</u>	<u>ADTI Housing Corp</u>	<u>600 First Avenue Condominium Association</u>	<u>Total</u>	<u>Eliminations</u>	<u>Total</u>
Liabilities and Net Assets						
Current liabilities						
Current portion of long-term debt	\$ -	\$ 36,100	\$ -	\$ 36,100	\$ -	\$ 36,100
Current portion of lease liabilities - operating	41,843	-	-	41,843	-	41,843
Current portion of lease liabilities - financing	243,436	-	-	243,436	-	243,436
Loan payable, related company	1,450,118	-	-	1,450,118	(1,450,118)	-
Accounts payable and accrued expenses	1,627,590	81,804	-	1,709,394	-	1,709,394
Refundable advances	552,760	-	-	552,760	-	552,760
Deferred revenue	<u>42,080</u>	<u>8,345</u>	<u>-</u>	<u>50,425</u>	<u>-</u>	<u>50,425</u>
Total current liabilities	3,957,827	126,249	-	4,084,076	(1,450,118)	2,633,958
Long-term liabilities						
Long-term debt, net of current portion	397,892	4,466,046	-	4,863,938	-	4,863,938
Lease liabilities - operating, net of current portion	60,117	-	-	60,117	-	60,117
Lease liabilities - financing, net of current portion	330,253	-	-	330,253	-	330,253
Security deposits payable	<u>134,405</u>	<u>73,658</u>	<u>-</u>	<u>208,063</u>	<u>-</u>	<u>208,063</u>
Total liabilities	4,880,494	4,665,953	-	9,546,447	(1,450,118)	8,096,329
Net assets						
Without donor restrictions	2,522,695	3,688,407	328,264	6,539,366	-	6,539,366
With donor restrictions	<u>1,121,824</u>	<u>873,717</u>	<u>-</u>	<u>1,995,541</u>	<u>-</u>	<u>1,995,541</u>
Total net assets	3,644,519	4,562,124	328,264	8,534,907	-	8,534,907
Total liabilities and net assets	<u>\$ 8,525,013</u>	<u>\$ 9,228,077</u>	<u>\$ 328,264</u>	<u>\$ 18,081,354</u>	<u>\$ (1,450,118)</u>	<u>\$ 16,631,236</u>

See Independent Auditor's Report.

Alternatives, Inc. and Affiliates
Combining Statement of Activities and Changes in Net Assets
Year Ended June 30, 2024

	Alternatives, Inc.			ADTI Housing Corp			600 First Avenue Condominium Association	Combined Total			
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Eliminations	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues											
Grants and contracts	\$ 764,985	\$ -	\$ 764,985	\$ 113,000	\$ -	\$ 113,000	\$ -	\$ -	\$ 877,985	\$ -	\$ 877,985
Contributions of financial assets	202,801	26,500	229,301	-	-	-	-	-	202,801	26,500	229,301
Contributions of nonfinancial assets	16,581	-	16,581	-	-	-	-	-	16,581	-	16,581
Program service fees	20,504,786	-	20,504,786	-	-	-	-	-	20,504,786	-	20,504,786
Management fees	385,452	-	385,452	-	-	-	-	(247,680)	137,772	-	137,772
Special events	151,653	-	151,653	-	-	-	-	-	151,653	-	151,653
Rental income	1,106,497	-	1,106,497	1,327,680	-	1,327,680	42,000	(711,912)	1,764,265	-	1,764,265
Gain on disposal of equipment	750	-	750	-	-	-	-	-	750	-	750
Other income	54,041	-	54,041	2,933	-	2,933	15,200	-	72,174	-	72,174
	23,187,546	26,500	23,214,046	1,443,613	-	1,443,613	57,200	(959,592)	23,728,767	26,500	23,755,267
Restrictions in satisfaction of time and purpose restrictions	16,500	(16,500)	-	-	-	-	-	-	16,500	(16,500)	-
	23,204,046	10,000	23,214,046	1,443,613	-	1,443,613	57,200	(959,592)	23,745,267	10,000	23,755,267
Expenses											
Program services	20,750,830	-	20,750,830	1,515,291	-	1,515,291	-	(916,077)	21,350,044	-	21,350,044
Management and general	1,932,743	-	1,932,743	-	-	-	44	(38,677)	1,894,110	-	1,894,110
Development fundraising	241,750	-	241,750	-	-	-	-	(4,838)	236,912	-	236,912
	22,925,323	-	22,925,323	1,515,291	-	1,515,291	44	(959,592)	23,481,066	-	23,481,066
Changes in net assets from operations	278,723	10,000	288,723	(71,678)	-	(71,678)	57,156	-	264,201	10,000	274,201
Nonoperating revenues											
Investment return, net	88,603	-	88,603	54,712	-	54,712	-	-	143,315	-	143,315
Changes in net assets	367,326	10,000	377,326	(16,966)	-	(16,966)	57,156	-	407,516	10,000	417,516
Net assets											
Beginning of year	2,522,895	1,121,824	3,644,519	3,688,407	873,717	4,562,124	328,264	-	6,539,366	1,895,541	8,534,907
End of year	\$ 2,890,221	\$ 1,131,824	\$ 4,021,845	\$ 3,671,441	\$ 873,717	\$ 4,545,158	\$ 385,420	\$ -	\$ 6,946,882	\$ 2,005,541	\$ 8,952,423

See Independent Auditor's Report.

Alternatives, Inc. and Affiliates
Combining Statement of Activities and Changes in Net Assets
Year Ended June 30, 2023

	Alternatives, Inc.			ADTI Housing Corp			600 First Avenue Condominium Association	Combined Total			
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Eliminations	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues											
Grants and contracts	\$ 1,241,563	\$ -	\$ 1,241,563	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,241,563	\$ -	\$ 1,241,563
Contributions of financial assets	233,187	37,000	270,187	-	-	-	-	-	233,187	37,000	270,187
Contributions of nonfinancial assets	10,550	-	10,550	-	-	-	-	-	10,550	-	10,550
Program service fees	18,335,830	-	18,335,830	-	-	-	-	-	18,335,830	-	18,335,830
Management fee	384,732	-	384,732	-	-	-	-	(246,960)	137,772	-	137,772
Special events	110,786	-	110,786	-	-	-	-	-	110,786	-	110,786
Rental income	1,008,003	-	1,008,003	1,330,212	-	1,330,212	42,000	(711,912)	1,668,303	-	1,668,303
Other income	108,203	-	108,203	3,780	-	3,780	-	-	111,983	-	111,983
	<u>21,432,854</u>	<u>37,000</u>	<u>21,469,854</u>	<u>1,333,992</u>	<u>-</u>	<u>1,333,992</u>	<u>42,000</u>	<u>(958,872)</u>	<u>21,849,974</u>	<u>37,000</u>	<u>21,886,974</u>
Restrictions in satisfaction of time and purpose restrictions	<u>29,237</u>	<u>(29,237)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,237</u>	<u>(29,237)</u>	<u>-</u>
	<u>21,462,091</u>	<u>7,763</u>	<u>21,469,854</u>	<u>1,333,992</u>	<u>-</u>	<u>1,333,992</u>	<u>42,000</u>	<u>(958,872)</u>	<u>21,879,211</u>	<u>7,763</u>	<u>21,886,974</u>
Expenses											
Program services	20,211,451	-	20,211,451	1,356,584	-	1,356,584	-	(913,061)	20,654,974	-	20,654,974
Management and general	2,319,766	-	2,319,766	-	-	-	24	(41,031)	2,278,759	-	2,278,759
Development fundraising	268,327	-	268,327	-	-	-	-	(4,780)	263,547	-	263,547
	<u>22,799,544</u>	<u>-</u>	<u>22,799,544</u>	<u>1,356,584</u>	<u>-</u>	<u>1,356,584</u>	<u>24</u>	<u>(958,872)</u>	<u>23,197,280</u>	<u>-</u>	<u>23,197,280</u>
Changes in net assets from operations	(1,337,453)	7,763	(1,329,690)	(22,592)	-	(22,592)	41,976	-	(1,318,069)	7,763	(1,310,306)
Nonoperating revenues											
Investment return, net	<u>79,240</u>	<u>-</u>	<u>79,240</u>	<u>38,186</u>	<u>-</u>	<u>38,186</u>	<u>-</u>	<u>-</u>	<u>117,426</u>	<u>-</u>	<u>117,426</u>
Changes in net assets	(1,258,213)	7,763	(1,250,450)	15,594	-	15,594	41,976	-	(1,200,643)	7,763	(1,192,880)
Net assets											
Beginning of year	<u>3,780,908</u>	<u>1,114,061</u>	<u>4,894,969</u>	<u>3,672,813</u>	<u>873,717</u>	<u>4,546,530</u>	<u>286,288</u>	<u>-</u>	<u>7,740,009</u>	<u>1,987,778</u>	<u>9,727,787</u>
End of year	<u>\$ 2,522,695</u>	<u>\$ 1,121,824</u>	<u>\$ 3,644,519</u>	<u>\$ 3,688,407</u>	<u>\$ 873,717</u>	<u>\$ 4,562,124</u>	<u>\$ 328,264</u>	<u>\$ -</u>	<u>\$ 6,539,366</u>	<u>\$ 1,995,541</u>	<u>\$ 8,534,907</u>

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