

**ON MY OWN OF MICHIGAN
(A Michigan Non-Profit Organization)**

**FINANCIAL REPORT
FOR THE YEARS ENDED
JUNE 30, 2016 AND 2015**

**ON MY OWN OF MICHIGAN
(A Michigan Non-Profit Organization)**

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
On My Own of Michigan
Troy, Michigan

We have reviewed the accompanying statements of financial position of On My Own of Michigan (a Michigan Non-Profit Organization) as of June 30, 2016 and 2015, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

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Supplementary Information

The supplementary information included in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.



TOBIAS, VANDEPUTTE & SKULSKY, P.C.
Certified Public Accountants

May 12, 2017

TOBIAS, 
VANDEPUTTE
SKULSKY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

ON MY OWN OF MICHIGAN
(A Michigan Non-Profit Organization)

STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2016 AND 2015

ASSETS

	<u>2016</u>	<u>2015</u>
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 18,329	\$ 28,111
Marketable Securities	47,633	46,776
Accounts Receivable, Net of Allowances for Uncollectible Accounts of \$-0-	27,858	31,891
Prepaid Expenses	6,093	11,490
Total Current Assets	<u>99,913</u>	<u>118,268</u>
<u>Property and Equipment</u> (Net of Accumulated Depreciation)	<u>24,378</u>	<u>34,870</u>
<u>Other Assets</u>		
Lease Deposits	4,064	4,213
Total Other Assets	<u>4,064</u>	<u>4,213</u>
TOTAL ASSETS	<u>\$ 128,355</u>	<u>\$ 157,351</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts Payable	\$ 1,642	\$ 12,353
Accrued Payroll	29,451	24,467
Unearned Revenue	13,785	13,120
Total Current Liabilities	<u>44,878</u>	<u>49,940</u>
<u>Net Assets</u>		
Unrestricted - (Deficit)	(65,585)	(36,825)
Unrestricted - Board-Designated Operating Reserve	100,000	100,000
Temporarily Restricted	13,490	8,664
Permanently Restricted	35,572	35,572
Total Net Assets (Page 4)	<u>83,477</u>	<u>107,411</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 128,355</u>	<u>\$ 157,351</u>

The accompanying notes are an integral part of this statement.
SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT

ON MY OWN OF MICHIGAN
(A Michigan Non-Profit Organization)

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2016			2015			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>Support and Revenue</u>							
Donations	\$ 134,428	\$ 7,000	\$ -	\$ 104,671	\$ -	\$ -	\$ 104,671
Service Fees	278,457	-	-	298,446	-	-	298,446
Interest and Dividend Income	1,232	-	-	1,101	-	-	1,101
Gain on Sale of Assets	-	-	-	1,534	-	-	1,534
Net Assets Released from Restrictions	2,174	(2,174)	-	3,836	(3,836)	-	-
Special Events Revenue	106,592	-	-	134,551	-	-	134,551
Less: Costs of Direct Benefits to Donors	(51,078)	-	-	(56,208)	-	-	(56,208)
Net Support and Revenue	<u>471,805</u>	<u>4,826</u>	-	<u>487,931</u>	<u>(3,836)</u>	-	<u>484,095</u>
<u>Functional Expenses</u>							
Program Services	366,035	-	-	386,049	-	-	386,049
Support Services:							
Management and General	61,516	-	-	59,847	-	-	59,847
Fundraising	73,038	-	-	73,248	-	-	73,248
Total Functional Expenses (Page 12)	<u>500,589</u>	-	-	<u>519,144</u>	-	-	<u>519,144</u>
Unrealized Gain (Loss) on Investments	24	-	-	(894)	-	-	(894)
	<u>24</u>	-	-	<u>(894)</u>	-	-	<u>(894)</u>
(Decrease) Increase in Net Assets	(28,760)	4,826	-	(32,107)	(3,836)	-	(35,943)
<u>Net Assets - Beginning of Year</u>	<u>63,175</u>	<u>8,664</u>	<u>35,572</u>	<u>95,282</u>	<u>12,500</u>	<u>35,572</u>	<u>143,354</u>
<u>Net Assets - End of Year (To Page 3)</u>	<u>\$ 34,415</u>	<u>\$ 13,490</u>	<u>\$ 35,572</u>	<u>\$ 63,175</u>	<u>\$ 8,664</u>	<u>\$ 35,572</u>	<u>\$ 107,411</u>

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SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT

ON MY OWN OF MICHIGAN
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STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<u>Cash Flows From Operating Activities</u>		
Change in Net Assets	\$ (23,934)	\$ (35,943)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	10,492	10,247
Gain on Sale of Assets	-	(2,117)
Unrealized Gain	(24)	-
Change in Assets and Liabilities		
(Increase) Decrease in:		
Accounts Receivable	4,033	1,870
Marketable Securities	(833)	11,435
Prepaid Expenses	5,397	(6,553)
Deposits	149	(20)
(Decrease) Increase in:		
Accounts Payable	(10,711)	(12,016)
Accrued Payroll	4,984	5,922
Deferred Revenue	-	(2,500)
Unearned Revenue	665	-
Total Adjustments	<u>14,152</u>	<u>6,268</u>
Net Cash Used in Operating Activities	<u>(9,782)</u>	<u>(29,675)</u>
<u>Cash Flows From Investing Activities</u>		
Property and Equipment Purchases	-	(24,635)
Sale of Fixed Assets	-	32,392
Net Cash Used in Investing Activities	<u>-</u>	<u>7,757</u>
Net Decrease in Cash	(9,782)	(21,918)
<u>Cash and Cash Equivalents - Beginning of Year</u>	<u>28,111</u>	<u>50,029</u>
<u>Cash and Cash Equivalents - End of Year</u>	<u>\$ 18,329</u>	<u>\$ 28,111</u>
<u>Supplemental Disclosure of Cash Flow Information</u>		
Cash Paid During the Year for Interest	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.
SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT

ON MY OWN OF MICHIGAN
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

Note 1: Statement of Purpose

On My Own of Michigan is a non-profit, non-stock Michigan corporation serving adults with mild developmental disabilities. The Organization's mission is to assist members in becoming self-sufficient, contributing adults in the community. The Organization's programs include classes on independent living skills, group therapy, and social and recreational activities.

The Organization's support comes primarily from members' fees for services provided, as well as grants, public contributions and fund-raising support. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Note 2: Summary of Significant Accounting Policies

Method of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted (GAAP) in the United States of America.

The Organization adopted FASB Accounting Standards Codification ASC Subtopic, Not-For-Profit Entities-Presentation of Financial Statements. The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers operating bank accounts as cash and all highly liquid debt instruments with an initial maturity of six months or less to be cash equivalents. Cash and cash equivalents for the purpose of the statement of cash flows exclude permanently restricted cash and cash equivalents.

ON MY OWN OF MICHIGAN
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

Note 2: Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable includes all amounts due from members of the Organization as of June 30, 2016 and 2015, net of an allowance for uncollectible accounts. The allowance is based on management's estimate of the amount of receivables that will actually be collected. The allowance is \$-0- as of June 30, 2016 and 2015.

Property and Equipment

The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$1,500. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income (the results of operations). Donated fixed assets are carried at their estimated fair value at the date of donation.

Such donations are reported as unrestricted contributions unless the donor has restricted their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Depreciation

Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. Depreciation expense totaled \$10,492 and \$10,247 for the years ended June 30, 2016 and 2015, respectively.

Advertising

The Organization expenses the production costs of advertising when such costs are incurred. For the years ended June 30, 2016 and 2015, advertising expense amounts represent actual advertising costs of \$1,997 and \$948 respectively.

Contributions

The Organization adopted FASB Accounting Standards Codification, Non-Profit Entities-Revenue Recognition. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

ON MY OWN OF MICHIGAN
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

Note 2: Summary of Significant Accounting Policies (Continued)

Contributions (Continued)

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending upon the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted support is reported as an increase in the unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

Endowment contributions and investments are permanently restricted by the donor. Investment earnings available for distribution are recorded in unrestricted net assets. Investment earnings with donor restrictions are recorded in temporarily or permanently restricted net assets based on the nature of the restriction.

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases in liabilities or expenses depending on the form of the benefit received. Conditional promises to give are recognized only when conditions on which they depend are substantially met and the promises become unconditional.

Special Events

Revenues from special events are reported as public support. Certain special events, such as raffles, generate large amounts of receipts and direct costs, resulting in direct costs that are significant in comparison to the revenue from such special events.

Donated Material and Services

Donated materials and services are recorded as public support on the date of receipt at estimated fair market value when an objective basis is available to measure their value.

The Organization utilizes the services of many volunteers; amounts have not been included in the accompanying statements for those services since they do not meet the criteria for recognition under FASB Accounting Standards Codification, Not-for-Profit Entities.

Marketable Securities

The Company classifies its marketable debt and equity securities as available for sale. Securities classified as available for sale are carried in the financial statements at fair value. Marketable securities include \$35,572 in endowment contributions that are permanently restricted for years ended June 30, 2016 and June 30, 2015.

ON MY OWN OF MICHIGAN
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

Note 2: Summary of Significant Accounting Policies (Continued)

Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

During the year ended June 30, 2016, the Organization received \$-0- for purposes of setting up an endowment fund, which is permanently restricted. Total permanently restricted donations received from inception through June 30, 2016 were \$35,572.

If the contribution and use of the purpose-restricted donations occurs in the same period, then the support will be recorded as unrestricted.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefits.

Note 3: Concentrations

Approximately 61% and 55% of the Organization's support and revenue was attributable to members' fees for services for the years ended June 30, 2016 and 2015, respectively. For the years ended June 30, 2016 and 2015, the Organization served approximately 54 and 60 members, respectively, with classes, social and recreational activities, and independent living supervision.

Fund raising special events accounted for 22% and 28% of the Organization's support during the years ended June 30, 2016 and 2015, respectively.

The special events are listed below:

	2016	2015
Paint Creek – Golf Outing	\$ 33,870	\$ 35,584
Gala	36,312	46,409
Awards Banquet	10,690	9,030
Master's Raffle	-	16,900
Your Pick Raffle	9,893	14,392
Other	15,827	12,236
Total	<u>\$ 106,592</u>	<u>\$ 134,551</u>

ON MY OWN OF MICHIGAN
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

Note 4: Property and Equipment

The following is a summary of property and equipment less accumulated depreciation at June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Office Equipment	\$ 2,343	\$ 13,840
Vehicles	39,816	39,816
Leasehold Improvements	6,303	6,303
Website	5,800	5,800
Less: Accumulated Depreciation	<u>(29,884)</u>	<u>(30,889)</u>
Net Property and Equipment	<u>\$ 24,378</u>	<u>\$ 34,870</u>

Note 5: Unearned Revenue

Unearned revenue represents the following amounts collected or billed for classes, trips and special events relative to periods after June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Classes, Trips and Special Events	\$ <u>13,785</u>	\$ <u>13,120</u>

Note 6: Operating Leases

On August 15, 2012, the Organization signed a sixty-five month noncancelable lease for new office space. The monthly rent payment is \$4,193, of which \$3,915 is rent and \$278 is tenant suite electrical payment. The commencement date was December 27, 2012.

The rent expense for the office totaled \$50,737 and \$50,737 for the years ended June 30, 2016 and 2015, respectively.

Minimum future rental payments under the noncancellable operating lease having a term in excess of one year as of June 30 are as follows:

2017	\$ 50,316
2018	\$ 46,123

ON MY OWN OF MICHIGAN
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

Note 7: Income Taxes

The Organization is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170 (b)(1)(A) and has been classified as an Organization that is not a private foundation under Section 509(a)(2). The Organization's Form 990, Return of Corporation Exempt from Income Tax, for the years ending June 30, 2015, 2014 and 2013 are subject to examination by the IRS, generally for three years after they were filed.

Note 8: 403(b) Retirement Plan

The Organization participates in a 403(b) retirement plan. Under the plan, the Organization can contribute a percentage of the participants' deferral not to exceed three percent (3%) of each eligible employee's salary. An employee becomes eligible once they have been employed one year and have attained the age of 21. The Organization incurred \$-0- in employer matching expenses during the years ended June 30, 2016 and 2015. There was \$-0- of employer matching due to the plan as of June 30, 2016 and 2015.

Note 9: Line of Credit

The Organization has established a line of credit with Chase Bank whereby a maximum of \$40,000 may be borrowed for operations. The line bears interest payable at the prime rate plus 1.75% per annum and is secured by all of the assets of the Organization. Effective June 10, 2016, Chase Bank did not renew the line of credit. As of June 30, 2016 and 2015, the line of credit had a balance of \$-0-.

Note 10: Temporarily Restricted Net Assets

Temporarily restricted net assets consist of funds for the following purposes at June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Case Management and Software	\$ -	\$ 799
Group Outing's	6,845	7,865
CARF	<u>6,645</u>	<u>-</u>
	<u>\$ 13,490</u>	<u>\$ 8,664</u>

Note 11: Subsequent Events

In accordance with ASC 855, the Organization evaluated subsequent events through May 12, 2017, the date these financial statements were issued. The Organization established a line of credit with Fifth Third Bank for \$20,000 on February 8, 2017.

SUPPLEMENTARY INFORMATION

ON MY OWN OF MICHIGAN
(A Michigan Non-Profit Organization)

SCHEDULE I - STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016
(With Comparative Totals for the Year Ended June 30, 2015)

	<u>Supporting Services</u>					2015 Total Expenses
	Program Services	Management and General	Fundraising	Total Support	2016 Total Expenses	
<u>Employee Compensation</u>						
Salaries and Wages	\$ 214,107	\$ 31,794	\$ 51,448	\$ 83,242	\$ 297,349	\$ 312,028
Payroll Taxes	16,749	2,487	4,025	6,512	23,261	24,105
Employee Benefits	18,304	2,693	4,389	7,082	25,386	23,851
Total Employee Compensation	<u>249,160</u>	<u>36,974</u>	<u>59,862</u>	<u>96,836</u>	<u>345,996</u>	<u>359,984</u>
<u>Expenses</u>						
Advertising	979	1,018	-	1,018	1,997	948
Classes	9,152	-	-	-	9,152	10,365
Computer Expense	-	904	-	904	904	180
Depreciation	10,492	-	-	-	10,492	10,247
Dues and Subscriptions	-	934	-	934	934	819
Grant Fees	-	-	400	400	400	720
Insurance	10,467	4,486	-	4,486	14,953	10,892
Occupancy	43,126	5,074	2,537	7,611	50,737	50,737
Office and Supplies	13,678	2,487	8,705	11,192	24,870	21,888
Other Expenses	451	451	-	451	902	1,902
Postage and Delivery	1,012	253	422	675	1,687	1,382
Professional	-	7,823	-	7,823	7,823	9,538
Telephone	5,189	1,112	1,112	2,224	7,413	6,526
Transportation	5,458	-	-	-	5,458	10,964
Trips	16,871	-	-	-	16,871	22,052
Total Expenses (To Page 4)	<u>\$ 366,035</u>	<u>\$ 61,516</u>	<u>\$ 73,038</u>	<u>\$ 134,554</u>	<u>\$ 500,589</u>	<u>\$ 519,144</u>

The accompanying notes are an integral part of this statement.
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