

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

**FINANCIAL REPORT
FOR THE YEARS ENDED
JUNE 30, 2017 AND 2016**

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

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of On My Own of Michigan (a Michigan Non-Profit Organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

5455 Corporate Drive • Suite 300 • Troy, MI 48098-2620
248/641-8400 • Fax 248/641-5001 • Email advice@tobiascpa.com

Opinion

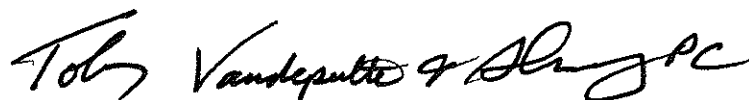
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of On My Own of Michigan as of June 30, 2017, and the activities and changes in net assets, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of functional expenses on page 12 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Prior Period Financial Statements

The 2016 financial statements were reviewed by us, and our report thereon, dated May 12, 2017, stated we were not aware if any material modifications that should be made to those financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.



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

February 28, 2018



CERTIFIED PUBLIC ACCOUNTANTS

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

STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2017 AND 2016

	<u>ASSETS</u>	Audited 2017	Reviewed 2016
<u>Current Assets</u>			
Cash and Cash Equivalents	\$	23,391	\$ 18,329
Marketable Securities		47,854	47,633
Accounts Receivable, Net of Allowances for Uncollectible Accounts of \$-0-		17,565	27,858
Prepaid Expenses		6,469	6,093
Total Current Assets		95,279	99,913
<u>Property and Equipment</u> (Net of Accumulated Depreciation)		16,922	24,378
<u>Other Assets</u>			
Lease Deposits		4,193	4,064
Total Other Assets		4,193	4,064
TOTAL ASSETS	\$	116,394	\$ 128,355
	<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>			
Accounts Payable	\$	7,203	\$ 1,642
Accrued Payroll		12,656	29,451
Unearned Revenue		24,100	13,785
Total Current Liabilities		43,959	44,878
<u>Net Assets</u>			
Unrestricted - (Deficit)		23,234	(65,585)
Unrestricted - Board-Designated Operating Reserve		-	100,000
Temporarily Restricted		13,629	13,490
Permanently Restricted		35,572	35,572
Total Net Assets (Page 4)		72,435	83,477
TOTAL LIABILITIES AND NET ASSETS	\$	116,394	\$ 128,355

The accompanying notes are an integral part of this statement.
SEE INDEPENDENT AUDITOR'S 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, 2017 AND 2016

	Audited 2017			Reviewed 2016				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<u>Support and Revenue</u>								
Donations	\$ 116,096	\$ 2,600	\$ -	\$ 118,696	\$ 134,428	\$ 7,000	\$ -	\$ 141,428
Service Fees	288,463	-	-	288,463	278,457	-	-	278,457
Interest and Dividend Income	1,077	-	-	1,077	1,232	-	-	1,232
Net Assets Released from Restrictions	2,461	(2,461)	-	-	2,174	(2,174)	-	-
Special Events Revenue	113,419	-	-	113,419	106,592	-	-	106,592
Less: Costs of Direct Benefits to Donors	(35,886)	-	-	(35,886)	(51,078)	-	-	(51,078)
Net Support and Revenue	485,630	139	-	485,769	471,805	4,826	-	476,631
<u>Functional Expenses</u>								
Program Services	361,776	-	-	361,776	366,035	-	-	366,035
Support Services:								
Management and General	57,312	-	-	57,312	61,516	-	-	61,516
Fundraising	77,723	-	-	77,723	73,038	-	-	73,038
Total Functional Expenses (Page 12)	496,811	-	-	496,811	500,589	-	-	500,589
Unrealized Gain (Loss) on Investments	-	-	-	-	24	-	-	24
(Decrease) Increase in Net Assets	(11,181)	139	-	(11,042)	(28,760)	4,826	-	(23,934)
<u>Net Assets - Beginning of Year</u>	34,415	13,490	35,572	83,477	63,175	8,664	35,572	107,411
<u>Net Assets - End of Year (To Page 3)</u>	\$ 23,234	\$ 13,629	\$ 35,572	\$ 72,435	\$ 34,415	\$ 13,490	\$ 35,572	\$ 83,477

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

ON MY OWN OF MICHIGAN
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STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	<u>Audited</u> <u>2017</u>	<u>Reviewed</u> <u>2016</u>
<u>Cash Flows From Operating Activities</u>		
Change in Net Assets	\$ (11,042)	\$ (23,934)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	7,456	10,492
Unrealized Gain	-	(24)
Change in Assets and Liabilities		
(Increase) Decrease in:		
Accounts Receivable	10,293	4,033
Marketable Securities	(221)	(833)
Prepaid Expenses	(376)	5,397
Deposits	(129)	149
(Decrease) Increase in:		
Accounts Payable	5,561	(10,711)
Accrued Payroll	(16,795)	4,984
Deferred Revenue	-	-
Unearned Revenue	10,315	665
Total Adjustments	<u>16,104</u>	<u>14,152</u>
Net Cash Provided by (Used in) Operating Activities	<u>5,062</u>	<u>(9,782)</u>
Net Increase (Decrease) in Cash	5,062	(9,782)
<u>Cash and Cash Equivalents - Beginning of Year</u>	<u>18,329</u>	<u>28,111</u>
<u>Cash and Cash Equivalents - End of Year</u>	<u>\$ 23,391</u>	<u>\$ 18,329</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 AUDITOR'S REPORT

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

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

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
(A Michigan Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

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, 2017 and 2016, 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, 2017 and 2016.

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 \$7,456 and \$10,492 for the years ended June 30, 2017 and 2016, respectively.

Advertising

The Organization expenses the production costs of advertising when such costs are incurred. For the years ended June 30, 2017 and 2016, advertising expense amounts represent actual advertising costs of \$2,511 and \$1,997 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, 2017 AND 2016

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 (all Level 1 measurements). Marketable securities include \$35,572 in endowment contributions that are permanently restricted for years ended June 30, 2017 and June 30, 2016.

ON MY OWN OF MICHIGAN
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

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, 2017, 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, 2017 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 59% and 58% of the Organization's support and revenue was attributable to members' fees for services for the years ended June 30, 2017 and 2016, respectively. For the years ended June 30, 2017 and 2016, the Organization served approximately 55 and 54 members, respectively, with classes, social and recreational activities, and independent living supervision.

Fund raising special events accounted for 23% and 22% of the Organization's support during the years ended June 30, 2017 and 2016, respectively.

The special events are listed below:

	Audited 2017	Reviewed 2016
Golf Outing	\$ 45,763	\$ 33,870
Gala	27,977	36,312
Awards Banquet	8,728	10,690
Your Pick Raffle	9,573	9,893
Other	21,378	15,827
Total	\$ <u>113,419</u>	\$ <u>106,592</u>

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ON MY OWN OF MICHIGAN
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

Note 4: Property and Equipment

The following is a summary of property and equipment less accumulated depreciation at June 30, 2017 and 2016:

	Audited 2017	Reviewed 2016
Office Equipment	\$ 2,343	\$ 2,343
Vehicles	39,816	39,816
Leasehold Improvements	6,303	6,303
Website	5,800	5,800
Less: Accumulated Depreciation	(37,340)	(29,884)
Net Property and Equipment	<u>\$ 16,922</u>	<u>\$ 24,378</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, 2017 and 2016:

	Audited 2017	Reviewed 2016
Classes, Trips and Special Events	\$ <u>24,100</u>	\$ <u>13,785</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.

Effective October 6, 2017, the lease was renewed for 5 years. The monthly rent at June 1, 2018 will be \$4,600 and will increase by \$100 per month on June 1 each year thereafter until June 1, 2022.

The rent expense for the office totaled \$50,736 and \$50,737 for the years ended June 30, 2017 and 2016, respectively.

On January 17, 2017, the Organization entered into a lease agreement for a Kyocera copier for 60 months. The monthly lease payment is \$188.

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

2018	\$ 52,978
2019	\$ 57,555
2020	\$ 58,755
2021	\$ 59,955
2022	\$ 60,215

SEE INDEPENDENT AUDITOR'S REPORT

ON MY OWN OF MICHIGAN
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

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, 2016, 2015 and 2014 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, 2017 and 2016. There was \$-0- of employer matching due to the plan as of June 30, 2017 and 2016.

Note 9: Line of Credit

The Organization has established a line of credit with Fifth Third Bank whereby a maximum of \$20,000 may be borrowed for operations. The line bears interest payable at the prime rate less 1% per annum and is secured by all of the assets of the Organization. As of June 30, 2017, 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:

	Audited 2017	Reviewed 2016
Group Outing	\$ 5,698	\$ 6,845
CARF	6,530	6,645
AED	1,401	-0-
	<u>\$ 13,629</u>	<u>\$ 13,490</u>

Note 11: Subsequent Events

In accordance with ASC 855, the Organization evaluated subsequent events through February 28, 2018, the date these financial statements were issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

SUPPLEMENTARY INFORMATION

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

SCHEDULE I - STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

	<u>Supporting Services</u>				Audited 2017 Total Expenses	Reviewed 2016 Total Expenses
	Program Services	Management and General	Fundraising	Total Support		
<u>Employee Compensation</u>						
Salaries and Wages	\$ 205,120	\$ 29,427	\$ 53,243	\$ 82,670	\$ 287,790	\$ 297,349
Payroll Taxes	16,991	2,438	4,410	6,848	23,839	23,261
Employee Benefits	23,983	3,441	6,225	9,666	33,649	25,386
Total Employee Compensation	<u>246,094</u>	<u>35,306</u>	<u>63,878</u>	<u>99,184</u>	<u>345,278</u>	<u>345,996</u>
<u>Expenses</u>						
Advertising	1,230	1,281	-	1,281	2,511	1,997
Classes	8,712	-	-	-	8,712	9,152
Computer Expense	-	33	-	33	33	904
Depreciation	7,456	-	-	-	7,456	10,492
Dues and Subscriptions	-	454	-	454	454	934
Grant Fees	-	-	-	-	-	400
Insurance	9,402	4,029	-	4,029	13,431	14,953
Occupancy	43,252	5,089	2,544	7,633	50,885	50,737
Office and Supplies	15,609	2,838	9,933	12,771	28,380	24,870
Other Expenses	15	15	-	15	30	902
Postage and Delivery	791	198	329	527	1,318	1,687
Professional	-	7,030	-	7,030	7,030	7,823
Telephone	4,847	1,039	1,039	2,078	6,925	7,413
Transportation	5,637	-	-	-	5,637	5,458
Trips	18,731	-	-	-	18,731	16,871
Total Expenses (To Page 4)	<u>\$ 361,776</u>	<u>\$ 57,312</u>	<u>\$ 77,723</u>	<u>\$ 135,035</u>	<u>\$ 496,811</u>	<u>\$ 500,589</u>

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