ON MY OWN OF MICHIGAN

REPORT ON FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Maner Costerisan

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of On My Own of Michigan (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of On My Own of Michigan as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of On My Own of Michigan'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 On My Own of Michigan'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.

Maner Costerisan PC

September 15, 2025

ON MY OWN OF MICHIGAN
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 672,112	$ 487,086
Investments	250,962	242,764
Receivables		
Accounts receivable, net of allowance for credit losses of $18,200 and $18,200 in 2025 and 2024, respectively	6,656	10,437
Promises to give	-	5,000
Grants receivable	-	10,116
Prepaid expenses	16,990	30,115
Security deposits, current portion	4,000	3,000
Total current assets	950,720	788,518
Non-current assets		
Security deposits	4,193	4,193
Operating lease right-of-use assets	161,088	256,296
Property and equipment, less accumulated depreciation and amortization	42,673	56,924
Total non-current assets	207,954	317,413
TOTAL ASSETS	$ 1,158,674	$ 1,105,931
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current liabilities		
Accounts payable	$ 8,147	$ 6,302
Accrued liabilities	26,187	22,928
Contract liabilities	141,835	110,063
Current portion of operating lease liabilities	54,477	94,180
Total current liabilities	230,646	233,473
Non-current liabilities		
Operating lease liabilities, less current portion	111,204	166,079
TOTAL LIABILITIES	341,850	399,552
NET ASSETS		
Without donor restriction	727,971	643,557
With donor restriction	88,853	62,822
TOTAL NET ASSETS	816,824	706,379
TOTAL LIABILITIES AND NET ASSETS	$ 1,158,674	$ 1,105,931

See notes to financial statements.

ON MY OWN OF MICHIGAN
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT						
Contributions of cash and other assets	$ 253,217	$ 108,205	$ 361,422	$ 646,037	$ 22,250	$ 668,287
Service fees	726,224	-	726,224	565,548	-	565,548
Investment income	26,760	-	26,760	18,046	-	18,046
Other income	542	-	542	7,431	-	7,431
Net assets released from restrictions						
Satisfaction of purpose restrictions	77,174	(77,174)	-	-	-	-
Satisfaction of time restrictions	5,000	(5,000)	-	5,000	(5,000)	-
TOTAL REVENUE AND OTHER SUPPORT	1,088,917	26,031	1,114,948	1,242,062	17,250	1,259,312
EXPENSES						
Program services	854,579	-	854,579	774,957	-	774,957
Management and general	15,594	-	15,594	20,241	-	20,241
Fundraising	140,888	-	140,888	70,752	-	70,752
TOTAL EXPENSES	1,011,061	-	1,011,061	865,950	-	865,950
CHANGE IN NET ASSETS FROM OPERATIONS	77,856	26,031	103,887	376,112	17,250	393,362
NON-OPERATING ACTIVITY						
Realized / unrealized gain on investments	6,558	-	6,558	6,324	-	6,324
CHANGE IN NET ASSETS	84,414	26,031	110,445	382,436	17,250	399,686
NET ASSETS, beginning of the year	643,557	62,822	706,379	261,121	45,572	306,693
NET ASSETS, end of the year	$ 727,971	$ 88,853	$ 816,824	$ 643,557	$ 62,822	$ 706,379

See notes to financial statements.

ON MY OWN OF MICHIGAN
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	Program	Management and General	Fundraising	Total Expenses
Salaries and wages	$ 460,631	$ 13,010	$ 102,524	$ 576,165
Payroll taxes	37,917	219	7,293	45,429
Employee benefits	34,244	802	4,600	39,646
Occupancy	50,308	599	8,984	59,891
Direct program expense	174,489	-	-	174,489
Scholarships	10,000	-	-	10,000
Professional fees	35,076	419	6,264	41,759
Revenue development	-	-	2,020	2,020
Technology	14,945	178	2,669	17,792
Insurance	14,380	171	2,568	17,119
Other expenses	6,136	-	967	7,103
Depreciation and amortization	11,970	143	2,138	14,251
Office supplies	4,483	53	861	5,397
	$ 854,579	$ 15,594	$ 140,888	$ 1,011,061

See notes to financial statements.

ON MY OWN OF MICHIGAN
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program	Management and General	Fundraising	Total Expenses
Salaries and wages	$ 464,935	$ 12,313	$ 54,438	$ 531,686
Payroll taxes	37,576	988	4,323	42,887
Employee benefits	26,270	971	2,518	29,759
Occupancy	50,246	2,792	2,791	55,829
Direct program expense	103,457	-	-	103,457
Professional fees	32,963	1,831	1,831	36,625
Revenue development	-	-	2,543	2,543
Technology	6,561	364	365	7,290
Insurance	10,602	589	589	11,780
Other expenses	4,346	-	884	5,230
Depreciation and amortization	17,120	246	246	17,612
Credit loss provision	18,200	-	-	18,200
Office supplies	2,681	147	224	3,052
	$ 774,957	$ 20,241	$ 70,752	$ 865,950

See notes to financial statements.

ON MY OWN OF MICHIGAN
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash flows from operating activities		
Change in net assets	$ 110,445	$ 399,686
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	14,251	17,612
Gain on disposal of property and equipment	-	(6,360)
Realized/unrealized gain on investments	(6,558)	(6,324)
Credit loss expense	-	18,200
Changes in operating assets and liabilities		
Accounts receivable	3,781	(21,799)
Promises to give	5,000	5,000
Grants receivable	10,116	16,726
Prepaid expenses	13,125	(27,896)
Other current assets	(1,000)	(3,000)
Operating lease right-of-use assets	95,208	8,413
Accounts payable	1,845	150
Accrued liabilities	3,259	4,662
Contract liabilities	31,772	47,325
Operating lease liabilities	(94,578)	(9,190)
Net cash provided by operating activities	186,666	443,205
Cash flows from investing activities		
Purchase of investments	(295,733)	(183,754)
Proceeds from sale of investments	294,093	150,940
Proceeds from sale of property and equipment	-	6,360
Purchases of property and equipment	-	(69,200)
Net cash used by investment activities	(1,640)	(95,654)
NET CHANGE IN CASH AND CASH EQUIVALENTS	185,026	347,551
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	487,086	139,535
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 672,112	$ 487,086

See notes to financial statements.

ON MY OWN OF MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

On My Own of Michigan (the Organization) is a non-profit organization that helps make independent living possible for people with developmental disabilities. In conjunction with that mission, the Organization offers a variety of programs designed to address the needs of individuals and families who reside in metro Detroit. Services are provided through five programs: 1:1 Coaching, Independence Prep, Independence College, the Skill Building Program, and the Independent Living Program.

Basis of Accounting

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

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. The Organization includes in its definition of operating activities all revenues and expenses that are an integral part of its programs and supporting activities. Net realized and unrealized gains and losses are recognized as non-operating activities.

Cash and Cash Equivalents

The Organization maintains cash and cash equivalents at two banks. Cash and cash equivalents include temporary cash deposits and highly liquid investments which have an original maturity date of three months or less. From time to time during the year, the Organization may have cash on deposit in excess of the federally insured limit.

Investment Securities

The Organization records its investments in marketable equity securities and certificates of deposit with original maturities greater than three months in accordance with ASC-topic *Not-for-Profit Entities Investments*. Accordingly, investments in marketable securities with readily determinable fair values are valued at their fair values in the statements of financial position. Certificates of deposit are measured at amortized cost. Realized/unrealized gains and losses are included in the statements of activities. Investment income is reported in the statements of activities and consists of interest and dividend income, less investment expenses.

Accounts Receivable and Credit Losses

The Organization is exposed to credit losses primarily through program dues and fees. Accounts receivable represent the Organization's unconditional right to consideration in exchange for program services that the Organization has provided to the member based on contracted prices. Accounts receivable are recorded when services are provided and invoices are issued and are presented on the statements of financial position at the amount management expects to collect. Management provides for probable uncollectible amounts through credit losses expense and an adjustment to the allowance for credit losses. The Organization's expected loss allowance methodology for accounts receivable is developed using historical collection experience, current and future economic and market conditions, and a review of the current status of member's trade accounts receivable. Due to the short-term nature of such receivables, the estimated accounts receivable that may not be collected is based on aging of the accounts receivable balances.

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable and Credit Losses (continued)

The Organization evaluates contract terms and conditions, economic and industry risk, and member credit worthiness, and may require prepayment to mitigate risk of loss. Specific allowance amounts are established to record the appropriate provision for members that have a higher probability of default. The Organization monitors changes to the receivables balance on a timely basis, and balances are written off as they are determined to be uncollectable after all collection efforts have been exhausted.

Activity related to the allowance for credit losses was as follows:

	2025	2024
Balance, July 1	$ 18,200	$ -
Provision charges	-	18,200
Balance, June 30	$ 18,200	$ 18,200

Promises to Give

Promises to give include amounts pledged from a donor that are expected to be received over a period of four years beginning in November 2021. The total amount pledged over the 4-year period was $20,000. The amount of promises to give, time restricted, at June 30, 2025 and 2024 was $0 and $5,000, respectively. The Organization has not provided a discount on promises to be received in future years as management has determined that the effective discount rate for the years ended June 30, 2025 and 2024 would produce a discount that is insignificant to the financial statements taken as a whole. The allowance for uncollectible promises is determined based on management's evaluation of the collectability of individual promises. Management has determined that no valuation allowance is required for promises to give for the years ended June 30, 2025 and 2024.

Government Grants and Conditional Grant Receivables

Revenue from government grants under expense reimbursement is recognized in the period during which the related expenses are incurred. In cases where expenses are incurred in advance of receiving the funds, revenue and conditional grant receivables are recorded in the period during which the expenses are incurred. Funds received by the Organization in advance of incurring qualifying expenses are recorded as refundable advances reported as part of contract liabilities as presented in the statements of financial position. Grants whose conditions and restrictions are met in the same reporting period are reported as increases in net assets without donor restrictions.

Property and Equipment

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation, and amortization. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the related assets or the lease term. The useful lives range from five to seven years. The Organization's policy is to capitalize asset additions greater than $5,000 and expense normal repairs and maintenance as incurred.

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

The Organization determines if an arrangement is a lease at inception by determining whether the agreement conveys the right to control the use of the identified asset for a period of time, whether the Organization has the right to obtain substantially all of the economic benefits from use of the identified asset, and the right to direct the use of the asset. Lease liabilities are recognized at the commencement date based upon the present value of the remaining future minimum lease payments over the lease term using risk-free rate. The risk-free rate is defined as the daily treasury par yield curve rate for a period of time that approximates the lease term.

The lease right-of-use (ROU) assets are initially measured at the carrying amount of the lease liability and adjusted for any prepaid or accrued lease payments, remaining balance of lease incentives received, unamortized initial direct costs, or impairment charges relating to the right-of-use-asset. Certain leases contain escalation clauses, which are factored into the right-of-use asset where appropriate. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to not recognize a ROU asset and lease liability for leases with an initial term of 12 months or less but includes the expense associated with short-term leases in the statements of activities.

Impairment of Long-Lived Assets

The Organization evaluates long-lived assets including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying value may not be recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of the asset. There were no impairments recognized during 2025 and 2024.

Net Assets

The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restriction - Net assets available for use in general operations, and not subject to donor (or grantor) restrictions.

Net Assets With Donor Restriction - Net assets subject to donor (or grantor) imposed restrictions. Donor-imposed restrictions related to net assets are temporary in nature, and will be met by the passage of time or other events specified by the donor. These restrictions are released when the stipulated time has elapsed, when the purpose for which the resource was restricted has been fulfilled, or both. The Organization chooses to report donor-restricted contributions whose restrictions are met in the same reporting period as support within net assets without donor restrictions. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Revenue Recognition for Contracts with Customers

The Organization's revenue streams under contracts with customers are comprised of program dues and fees. The Organization performs an analysis to determine if program dues and fees constitute separate performance obligations. The Organization's revenue is recognized when a given performance obligation is satisfied, either over a period of time or at a given point in time. This is determined by when the customer can obtain substantial benefit from the service or the performance of the service is complete.

The transaction price is calculated as the amount of consideration to which the Organization expects to be entitled. In some situations, the Organization invoices customers and collects cash prior to the satisfaction of the performance of the obligation, which results in the Organization recognizing contract liabilities upon receipt of payment. The contract liability is reported in the statements of financial position. The following explains the performance obligations related to each revenue stream and how they are recognized:

Program Dues - The Organization recognized program dues over the program period, representing the period in which the Organization satisfies the performance obligation as the customer simultaneously receives and consumes the benefits that the Organization provided. For the years ended June 30, 2025 and 2024, program dues were $668,220 and $554,679, respectively.

Program Fees - The Organization recognized fees such as application fees, trips, and direct care when all goods and services are transferred at a point in time as services are performed. For the years ended June 30, 2025 and 2024, fees were $58,004 and $10,869, respectively.

Program dues and fees are reported as service fees in the statements of activities. They are for the following programs:

- 1:1 Coaching
- Independence Prep
- Skill Building
- Independent Living
- Independence College

The program dues and fees generally do not contain variable consideration. Payments for program dues are required either in advance of the program start or within ten days of the program start. Contract liabilities, consisting of amounts received in advance, are deferred to the applicable period.

Contract liabilities consist of unearned revenue for program dues and program fees received in advance. Contract balances consist of the following:

	2025	2024
Accounts receivable, beginning of year	$ 10,437	$ 6,838
Accounts receivable, end of year	6,656	10,437
Contract liabilities, beginning of year	110,063	62,738
Contract liabilities, end of year	141,835	110,063

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

Unconditional contributions are recognized when pledged and are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give, that is those with a measurable performance or other barrier, and a right of return or right of release, are not recognized until the conditions on which they depend have been substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction.

Contributions of Nonfinancial Assets

Amounts that have been reported in the financial statements as voluntary donations of services are those services that create or enhance nonfinancial assets or require specialized skills provided by individuals possessing those skills that would be typically purchased if not provided by donation. Such services are valued and reported at the estimated fair value in the financial statements based on current rates for similar services. The Organization has adopted an accounting policy recognizing such services when the value exceeds $5,000. There were no such services received and recognized for the years ended June 30, 2025 and 2024.

Contributed goods are valued and reported at the estimated fair value in the financial statements based on current rates for similar goods. During the years ended June 30, 2025 and 2024, the Organization did not receive contributed nonfinancial assets.

In addition, many people have contributed significant amounts of time to the Organization without compensation. These services are not recognized as contributions in the financial statements since the recognition criteria outlined above were not met.

Functional Allocation of Expense

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, occupancy and general operating expenses on the basis of estimates of time and effort. All other expenses are allocated based on direct identification and utilization.

Income Taxes

The Organization operates as a not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes. ASC guidance regarding accounting for uncertainty in income taxes clarifies the accounting for income taxes by prescribing the minimum recognition threshold an income tax position is required to meet before being recognized in the financial statements and applies to all income tax positions. Each income tax position is assessed using a two-step process. A determination is first made as to whether it is more likely than not that the income tax position will be sustained, based upon technical merits, upon examination by the taxing authorities. If the income tax position is expected to meet the more likely than not criteria, the benefit recorded in the financial statements equals the largest amount that is greater than 50% likely to be realized upon its ultimate settlement. At June 30, 2025 and 2024, there were no uncertain tax positions that required accrual.

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events

Management has evaluated significant events or transactions occurring subsequent to June 30, 2025, for potential recognition or disclosure in these financial statements. The evaluation was performed through September 15, 2025, which is the date the financial statements were available for issuance.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Credit Risk

The Organization is required to disclose significant concentrations of credit risk regardless of the degree of such risk. Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of temporary cash, investments and receivables. The Organization places its temporary cash investments with FDIC-insured financial institutions. Although such investments and cash balances may exceed the federally insured limits at certain times during the years and at year-end, they are, in the opinion of management, subject to minimal risk.

In addition, the Organization recognizes an allowance for credit losses at the time a receivable is recorded based on management's estimate of expected credit losses, historical write-off experience, and current account knowledge, and adjusts this estimate over the life of the receivable as needed. The Organization evaluates the aggregation and risk characteristics of a receivable pool and develops loss rates that reflect historical collections, current forecasts of future economic conditions over the time horizon the Organization is exposed to credit risk, and payment terms or conditions that may materially affect future forecasts.

The Organization performs ongoing credit evaluations of its members' financial condition whenever deemed necessary. The Organization evaluates and maintains, if necessary, an allowance for credit losses based on the expected collectability of all receivables, which takes into consideration an analysis of historical credit losses, specific creditworthiness and current economic trends. Management believes that the Organization's concentration of credit risk is limited because of its volume, credit quality, and small account balances.

NOTE 2 - LIQUIDITY AND AVAILABILITY

The following reflects the Organization's financial assets as of June 30, 2025 and 2024, reduced by the amounts not available for general use within one year due to contractual or donor-imposed restrictions or internal designations.

	2025	2024
Cash and cash equivalents	$ 672,112	$ 487,086
Investments	250,962	242,764
Accounts receivable, net	6,656	10,437
Promises to give	-	5,000
Grants receivable	-	10,116
Less donor-restricted net assets	(88,853)	(62,822)
Financial assets available to meet general expenditures within one year	$ 840,877	$ 692,581

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Organization maintains a $75,000 line of credit, as discussed in Note 12, which remained available on June 30, 2025. This line of credit may be drawn upon, if necessary, to meet unexpected liquidity needs or in the event of financial distress.

NOTE 3 - INVESTMENTS

The Organization's total investments are summarized below:

	Measurement	Carrying Amount	
	Basis	2025	2024
Money market fund	Fair value	$ 2,720	$ 1,356
Mutual funds	Fair value	64,461	57,903
Certificates of deposit	Amortized cost	183,781	183,505
		$ 250,962	$ 242,764

NOTE 3 - INVESTMENTS (continued)

Fair values and unrealized gains are summarized as follows:

	2025		
	Cost	Fair Value	Unrealized Gains
Money market fund	$ 2,720	$ 2,720	$ -
Mutual funds	44,391	64,461	20,070
Total	$ 47,111	$ 67,181	$ 20,070

	2024		
	Cost	Fair Value	Unrealized Gains
Money market fund	$ 1,356	$ 1,356	$ -
Mutual funds	44,391	57,903	13,512
Total	$ 45,747	$ 59,259	$ 13,512

Investment return for the years ended June 30 are as follows:

	2025	2024
Interest and dividends, net of fees	$ 26,760	$ 18,046
Realized and unrealized gain	6,558	6,324
	$ 33,318	$ 24,370

NOTE 4 - FAIR VALUE MEASUREMENTS

ASC topic *Fair Value Measurements*, establishes a framework for measuring fair value. That framework 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below.

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.

NOTE 4 - FAIR VALUE MEASUREMENTS (continued)

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the Organization’s own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

The assets or liabilities fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value.

Money market fund and mutual funds: Valued at the closing price reported in the active market on which the individual securities are traded.

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

The following table sets forth by level, within the fair value hierarchy, the Organization’s assets at fair value:

	2025			
	Level 1	Level 2	Level 3	Total
Money market fund	$ 2,720	$ -	$ -	$ 2,720
Mutual funds	64,461	-	-	64,461
	$ 67,181	$ -	$ -	67,181
Certificates of deposit, valued at amortized cost				183,781
Total investments				$ 250,962

	2024			
	Level 1	Level 2	Level 3	Total
Money market fund	$ 1,356	$ -	$ -	$ 1,356
Mutual funds	57,903	-	-	57,903
	$ 59,259	$ -	$ -	59,259
Certificates of deposit, valued at amortized cost				183,505
Total investments				$ 242,764

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	Useful Life	2025	2024
Vehicles	5	$ 93,835	$ 93,835
Leasehold improvements	5-7	8,646	8,646
Computer equipment	5	24,629	24,629
		127,110	127,110
Less accumulated depreciation and amortization		(84,437)	(70,186)
		$ 42,673	$ 56,924

NOTE 6 - ENDOWMENT

The Organization has an endowment which was established in 2000 with an initial gift of $5,000 and subsequent contributions of $30,572 to be maintained in perpetuity. Earnings on the endowment are to support general program activities. As such, all returns are classified as without donor restrictions and are available for use during the year.

Interpretation of Relevant Law

The Organization has interpreted the Michigan Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. In accordance with generally accepted accounting principles and this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. Investment earnings are classified as without donor restrictions unless otherwise specified by the donor.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purpose of the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the investment policies of the Organization.

Endowment net assets to be held in perpetuity totaled $35,572 and $35,572 as of June 30, 2025 and 2024.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no underwater endowments at June 30, 2025 and 2024.

NOTE 6 - ENDOWMENT (continued)

Investment and Spending Policies

The Organization's investment objective is to achieve a consistent rate of return (income, appreciation and reinvested funds) that will provide for supplemental revenues to support general programs. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risks.

The Organization's investment policy includes a spending policy allowing an annual distribution formula of 3.5% of the quarterly average asset balance over a three-year period at the discretion of the Board of Directors. If distributions are not paid for a period, a catch-up distribution may be scheduled.

There were no changes in endowment net assets for the years ended June 30, 2025 and 2024.

NOTE 7 - PROMISES TO GIVE

Promises to give consist of the following:

	2025	2024
Promises to give	$ -	$ 5,000
Amounts due in:		
Less than one year	-	5,000
One to five years	-	-
Total promises to give	$ -	$ 5,000

NOTE 8 - CONDITIONAL GRANT RECEIVABLES

The Organization receives grants from government agencies that are conditional upon the Organization incurring qualifying expenses. The Organization's conditional grant receivables as of June 30, 2025 and 2024 amounted to $0 and $10,116, respectively. The remaining conditional grant commitment balance at June 30, 2025 and 2024 amounted to $0 and $7,068, respectively.

NOTE 9 - LEASES

The Organization leases its office facility under an operating lease that expires in May 2028 and has variable payments over the remaining lease term ranging from $4,700 to $5,015 per month. The lease agreement of its office facilities contains an escalation clause. As of June 30, 2025, the Organization had a security deposit for the lease totaling $4,193. The Organization also leases a copier under an operating lease that expires in November 2026 for $165 per month. The Organization utilized the federal daily risk-free rate of 4.19% for leases added in 2024.

The Organization leases four apartments as part of its Independence College program which expire in May 2026. Payments for these leases range from $1,454 to $2,858 per month.

NOTE 9 - LEASES (continued)

The components of lease expense are as follows for June 30:

	2025	2024
Operating lease expense	$ 59,891	$ 55,829
Short-term lease expense	11,404	-
Total	$ 71,295	$ 55,829

Supplemental cash flow information related to leases are as follows for June 30:

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 100,461	$ 81,053
Weighted-average remaining lease term in years for operating leases	2.89	3.38
Weighted-average discount rate for operating leases	2.88%	3.10%

Future minimum lease payments and reconciliations to the statements of financial position at June 30, 2025, are as follows:

Year Ending June 30,	Operating Leases
2026	$ 58,535
2027	59,277
2028	55,165
Total undiscounted cash flows	172,977
Less: present value discount	(7,296)
Total lease liabilities	$ 165,681

Total lease liabilities as presented in the statements of financial position at June 30, are as follows:

	2025	2024
Current portion of operating lease liabilities	$ 54,477	$ 94,180
Operating lease liabilities, less current portion	111,204	166,079
	$ 165,681	$ 260,259

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2025 and 2024:

	2025	2024
Subject to expenditure for specified purpose		
Independence College scholarships	$ 35,000	$ 20,000
Independence College outings	816	-
Independence Living program	10,616	2,000
Independence Prep program	500	-
Skill Building program	6,349	250
	53,281	22,250
Subject to passage of time - promises to give	-	5,000
Endowment funds - held in perpetuity to support general program activities	35,572	35,572
TOTAL NET ASSETS WITH DONOR RESTRICTION	$ 88,853	$ 62,822

Net assets released from restriction during the year ended June 30, were as follows:

	2025	2024
Releases from restriction		
Independence College scholarships	$ 10,000	$ -
Independence College outings	1,183	-
Independence Living program	33,825	-
1:1 Coaching	3,836	-
Skill Building program	28,330	-
Satisfaction of purpose restrictions	77,174	-
Satisfaction of time restrictions	5,000	5,000
	$ 82,174	$ 5,000

NOTE 11 - PROGRAM EXPENSES

Expenses for the Organization's major program activities for the years ended June 30, 2025 and 2024 are as follows:

	2025	2024
Independent Living	$ 251,430	$ 301,785
Skill Building	119,253	97,734
Independence Prep	73,536	87,700
Independence College	379,569	287,722
1:1 Coaching	30,791	16
	$ 854,579	$ 774,957

NOTE 12 - LINE OF CREDIT

On February 15, 2022, the revolving line of credit was amended and restated. Under the terms of the agreement, the Organization has a revolving line of credit with a maximum borrowing limit of $75,000, which can be used towards business operations. Borrowings on the line of credit are unsecured bearing interest at a floating rate per annum equal to 2.610% plus the Bank's prime rate.

The line of credit shall be due and payable in full upon demand of the lender including principal, accrued and unpaid interest and any other charges. Until demand, the Organization shall pay interest only in accordance with the terms of this Note. At June 30, 2025 and 2024, the line of credit was unused and no interest was paid for the years then ended, respectively.