

Michigan Organization on Adolescent Sexual Health

Financial Statements and Supplemental Information

September 30, 2025 and 2024

with Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Michigan Organization on Adolescent Sexual Health
East Lansing, Michigan 48823

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Michigan Organization on Adolescent Sexual Health (a not-for-profit organization), which comprise the statements of financial position as of September 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 present fairly, in all material respects, the financial position of Michigan Organization on Adolescent Sexual Health as of September 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Michigan Organization on Adolescent Sexual Health 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 Michigan Organization on Adolescent Sexual Health's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government 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 Michigan Organization on Adolescent Sexual Health'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 Michigan Organization on Adolescent Sexual Health's January 29, 2026 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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2026, on our consideration of Michigan Organization on Adolescent Sexual Health's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Michigan Organization on Adolescent Sexual Health's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Michigan Organization on Adolescent Sexual Health's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

East Lansing, Michigan
January 29, 2026

Michigan Organization on Adolescent Sexual Health
Statements of Financial Position
September 30, 2025 and 2024

| | <u>2025</u> | <u>2024</u> |
|--|--------------------------|-------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 126,387 | 203,226 |
| Restricted cash, funds held for others | 128,218 | 84,493 |
| Certificates of deposit | 306,972 | 418,420 |
| Grants receivable | 351,122 | 399,512 |
| Due from others | 15,570 | - |
| Accrued interest receivable | 3,696 | 3,057 |
| Prepaid expenses | <u>31,126</u> | <u>10,206</u> |
| | <u>963,091</u> | <u>1,118,914</u> |
| Equipment: | | |
| Equipment | 6,898 | 6,898 |
| Less: accumulated depreciation | <u>(3,449)</u> | <u>(1,150)</u> |
| | <u>3,449</u> | <u>5,748</u> |
| | \$ <u><u>966,540</u></u> | <u><u>1,124,662</u></u> |
| Liabilities and Net Assets | | |
| Current liabilities: | | |
| Accounts payable | 108,860 | 173,247 |
| Accrued payroll and related expenses | 12,277 | 42,914 |
| Refundable advance | 9,974 | 14,009 |
| Deferred revenue | 28,517 | 24,823 |
| Funds held for others | <u>128,218</u> | <u>84,493</u> |
| | <u>287,846</u> | <u>339,486</u> |
| Net assets: | | |
| Without donor restrictions | 315,500 | 253,726 |
| With donor restrictions | <u>363,194</u> | <u>531,450</u> |
| | <u>678,694</u> | <u>785,176</u> |
| | \$ <u><u>966,540</u></u> | <u><u>1,124,662</u></u> |

See accompanying notes to the financial statements.

Michigan Organization on Adolescent Sexual Health
Statement of Activities
Year Ended September 30, 2025

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---------------------------------------|---------------------------------------|------------------------------------|------------------|
| Support and revenues: | | | |
| Grants and support | \$ 2,334,480 | 591,688 | 2,926,168 |
| In-kind contributions | 30,930 | - | 30,930 |
| Program income | 126,950 | - | 126,950 |
| Other income | 7,745 | - | 7,745 |
| Net assets released from restrictions | <u>759,944</u> | <u>(759,944)</u> | <u>-</u> |
| | <u>3,260,049</u> | <u>(168,256)</u> | <u>3,091,793</u> |
| Expenses: | | | |
| Program services | 2,692,865 | - | 2,692,865 |
| General and administrative | 337,890 | - | 337,890 |
| Fundraising | <u>167,520</u> | <u>-</u> | <u>167,520</u> |
| | <u>3,198,275</u> | <u>-</u> | <u>3,198,275</u> |
| Change in net assets | 61,774 | (168,256) | (106,482) |
| Net assets, beginning of year | <u>253,726</u> | <u>531,450</u> | <u>785,176</u> |
| Net assets, end of year | \$ <u>315,500</u> | <u>363,194</u> | <u>678,694</u> |

See accompanying notes to the financial statements.

Michigan Organization on Adolescent Sexual Health
Statement of Activities
Year Ended September 30, 2024

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---------------------------------------|---------------------------------------|------------------------------------|-----------------------|
| Support and revenues: | | | |
| Grants and support | \$ 2,695,780 | 419,134 | 3,114,914 |
| In-kind contributions | 44,993 | - | 44,993 |
| Program income | 141,371 | - | 141,371 |
| Other income | 50,248 | - | 50,248 |
| Net assets released from restrictions | <u>428,452</u> | <u>(428,452)</u> | <u>-</u> |
| | <u>3,360,844</u> | <u>(9,318)</u> | <u>3,351,526</u> |
| Expenses: | | | |
| Program services | 3,018,046 | - | 3,018,046 |
| General and administration | 339,688 | - | 339,688 |
| Fundraising | <u>34,269</u> | <u>-</u> | <u>34,269</u> |
| | <u>3,392,003</u> | <u>-</u> | <u>3,392,003</u> |
| Change in net assets | (31,159) | (9,318) | (40,477) |
| Net assets, beginning of year | <u>284,885</u> | <u>540,768</u> | <u>825,653</u> |
| Net assets, end of year | \$ <u><u>253,726</u></u> | <u><u>531,450</u></u> | <u><u>785,176</u></u> |

See accompanying notes to the financial statements.

Michigan Organization on Adolescent Sexual Health
Statement of Functional Expenses
Year Ended September 30, 2025

| | Program Services | General and Administration | Fundraising | Total |
|--|----------------------------|----------------------------------|-----------------------|-------------------------|
| Salaries and wages | \$ 698,509 | 226,950 | 135,938 | 1,061,397 |
| Payroll taxes and other fringe benefits | <u>169,347</u> | <u>55,617</u> | <u>29,106</u> | <u>254,070</u> |
| | <u>867,856</u> | <u>282,567</u> | <u>165,044</u> | <u>1,315,467</u> |
| Consulting fees | 1,507,161 | 42,983 | - | 1,550,144 |
| Legal fees | - | 150 | - | 150 |
| Youth payments | 58,838 | - | - | 58,838 |
| Accounting fees | 37,694 | 2,320 | - | 40,014 |
| Office expenses | 35,922 | 3,192 | - | 39,114 |
| Professional development | 33,742 | 429 | - | 34,171 |
| Insurance | 21,491 | 1,482 | - | 22,973 |
| Marketing | 878 | 1,077 | - | 1,955 |
| Grant expenses | - | 3,284 | - | 3,284 |
| Board expenses | 4,297 | 406 | - | 4,703 |
| Fundraising expenses | - | - | 2,476 | 2,476 |
| Meeting expenses | 20,508 | - | - | 20,508 |
| Travel expenses | 25,803 | - | - | 25,803 |
| Conferences and events | 24,074 | - | - | 24,074 |
| In kind expenses | 30,930 | - | - | 30,930 |
| Miscellaneous expenses | <u>23,671</u> | <u>-</u> | <u>-</u> | <u>23,671</u> |
| | <u>1,825,009</u> | <u>55,323</u> | <u>2,476</u> | <u>1,882,808</u> |
| | \$ <u><u>2,692,865</u></u> | <u><u>337,890</u></u> | <u><u>167,520</u></u> | <u><u>3,198,275</u></u> |

See accompanying notes to the financial statements.

Michigan Organization on Adolescent Sexual Health
Statement of Functional Expenses
Year Ended September 30, 2024

| | Program Services | General and Administration | Fundraising | Total |
|--|---------------------|----------------------------------|---------------|------------------|
| Salaries and wages | \$ 894,097 | 231,511 | 24,021 | 1,149,629 |
| Payroll taxes and other fringe benefits | 196,631 | 52,005 | 3,930 | 252,566 |
| | <u>1,090,728</u> | <u>283,516</u> | <u>27,951</u> | <u>1,402,195</u> |
| Consulting fees | 1,558,596 | 2,375 | - | 1,560,971 |
| Program expenses | - | 42,900 | - | 42,900 |
| Youth payments | 78,157 | - | - | 78,157 |
| Accounting fees | 40,243 | 2,147 | - | 42,390 |
| Office expenses | 29,813 | 4,297 | - | 34,110 |
| Professional development | 14,186 | 379 | - | 14,565 |
| Insurance | 15,793 | 1,067 | - | 16,860 |
| Marketing | 678 | 1,434 | - | 2,112 |
| Grant expenses | - | 1,196 | - | 1,196 |
| Board expenses | 5,951 | 377 | - | 6,328 |
| Fundraising expenses | - | - | 6,318 | 6,318 |
| Meeting expenses | 23,700 | - | - | 23,700 |
| Travel expenses | 43,607 | - | - | 43,607 |
| Conferences and events | 20,889 | - | - | 20,889 |
| In kind expenses | 44,993 | - | - | 44,993 |
| Equipment expenses | 19,218 | - | - | 19,218 |
| Miscellaneous expenses | 31,494 | - | - | 31,494 |
| | <u>1,927,318</u> | <u>56,172</u> | <u>6,318</u> | <u>1,989,808</u> |
| | \$ <u>3,018,046</u> | <u>339,688</u> | <u>34,269</u> | <u>3,392,003</u> |

See accompanying notes to the financial statements.

Michigan Organization on Adolescent Sexual Health
Statements of Cash Flows
Years Ended September 30, 2025 and 2024

| | <u>2025</u> | <u>2024</u> |
|---|-------------------|-----------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ (106,482) | (40,477) |
| Adjustments to reconcile change in net assets to net cash used in operating activities: | | |
| Depreciation | 2,299 | 1,150 |
| Effects of changes in assets and liabilities: | | |
| Grants receivable | 48,390 | (21,742) |
| Accounts receivable | - | 5,526 |
| Due from others | (15,570) | - |
| Accrued interest receivable | (639) | 2,405 |
| Prepaid expenses | (20,920) | 9,256 |
| Accounts payable | (64,387) | 5,757 |
| Accrued payroll and related expenses | (30,637) | 7,350 |
| Refundable advances | (4,035) | (95,742) |
| Deferred revenue | 3,694 | 24,598 |
| Funds held for others | <u>43,725</u> | <u>21,768</u> |
| Net cash used in operating activities | <u>(144,562)</u> | <u>(80,151)</u> |
| Cash flows from investing activities: | | |
| Net sales of certificates of deposit | 111,448 | 81,580 |
| Purchase of equipment | <u>-</u> | <u>(6,898)</u> |
| Net cash provided by investing activities | <u>111,448</u> | <u>74,682</u> |
| Change in cash, cash equivalents, and restricted cash | (33,114) | (5,469) |
| Cash, cash equivalents, and restricted cash, beginning of year | <u>287,719</u> | <u>293,188</u> |
| Cash, cash equivalents, and restricted cash, end of year | \$ <u>254,605</u> | <u>287,719</u> |
| Reconciliation of cash, cash equivalents, and restricted cash | | |
| Within the Statements of Financial Position | | |
| Cash and cash equivalents | \$ 126,387 | 203,226 |
| Restricted cash, funds held for others | <u>128,218</u> | <u>84,493</u> |
| Cash and cash equivalents shown in the Statements of Cash Flows | \$ <u>254,605</u> | <u>287,719</u> |

See accompanying notes to the financial statements.

1. NATURE OF OPERATIONS:

Michigan Organization on Adolescent Sexual Health (“the Organization”) is a not-for-profit Michigan corporation that works to ensure that young people in Michigan have access to best practice sexual health education and sexual health services. The Organization's sources of support include local, state, and national funding from individual, government, and foundation donors.

Description of Program Services:

Advocacy

The Organization works to raise awareness and educate at the local, state, and national levels to advance sexual health. The Organization conducts direct and grassroots lobbying within the 501(c)(3) limitations and when funding allows.

Youth Advisory Councils

The Organization coordinates and facilitates a group of youth advisory councils (YAC) under its YAC Collective programming. YACs are groups of young people working together to advance adolescent sexual health in Michigan while building personal and professional knowledge and skills. YACs are youth-driven with support from the Organization staff facilitators and youth co-facilitators.

LGBT K-12

The Organization works with partners across the state to improve inclusion and affirmation of LGBTQIA+ youth in educational and medical settings. All work is in line with best practices and Michigan law and policy.

Pregnancy and Parenting Support

The Organization works alongside program partners, including young people, to reduce the incidence of unintended pregnancy, as well as support expectant and parenting youth.

Violence Prevention

The Organization works to prevent violence among young people, especially sexual violence and all that overlaps with sexual violence. This includes programming at local and state levels.

Mission Support

The Organization consistently works to advance its mission and to align its policies, practices, and values both to external-facing work and internal operations.

Description of Supporting Services:

General and Administrative

Includes the functions necessary to provide support to the Organization's program activities. General and administrative activities include those that provide governance (Board of Directors), oversight, business management, financial recordkeeping, budgeting, human resource management, and similar activities that ensure an adequate working environment and an equitable employment program.

Fundraising

Provides the structure necessary to encourage and secure financial support from individuals, foundations, governments, and corporations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The accompanying financial statements were prepared on the accrual basis of accounting in conformity with United States generally accepted accounting principles (U.S. GAAP).

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Certificates of Deposit

Certificates of deposit are valued at cost plus accrued interest.

Grants Receivable

Grants receivable are stated net of allowances for doubtful amounts. Management provides for probable doubtful grants through a provision for bad debts expense and an adjustment to the allowance account based on its assessment of the current status of individual grants. Balances still outstanding after management has used reasonable collection efforts are written off through a reduction to the allowance account and a corresponding reduction to the receivable account. Management has determined that grants receivable are fully collectible and, therefore, has not recorded an allowance for doubtful accounts as of September 30, 2025 and 2024.

Funds Held for Others and Restricted Cash

The Organization is the fiduciary for another entity. Funds that the Organization receives on behalf of the entity are recorded as liabilities when received. The liabilities are reduced when expenses are paid for by the Organization on behalf of the entity and when the Organization receives payment from the entity for being the fiduciary. Amounts not yet expended are recorded as a liability on the statements of financial position. The liabilities are also recorded as restricted cash on the statements of financial position.

Equipment

Equipment is depreciated over their estimated useful lives on a straight-line method.

Equipment is carried at cost if purchased, or fair value if contributed. When retired or otherwise disposed of, the related carrying value and accumulated depreciation are cleared from the respective accounts and the net difference less any amount realized from disposition is reflected in earnings.

Maintenance and repairs, including the replacement of minor items, are expenses as incurred, and major additions to equipment are capitalized.

Basis of Net Asset Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets, net assets without donor restrictions and net assets with donor restrictions:

Net Assets without Donor Restrictions – Net assets resulting from revenues generated, receiving contributions that have no donor stipulations, providing services, rents, and receiving interest and other income, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Net Assets with Donor Restrictions – Net assets resulting from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated net assets, until the donor restriction expires, that is, until the stipulated time restriction ends or the purpose restriction is accomplished. Some donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization did not have any net assets with perpetual restrictions as of September 30, 2025 and 2024.

Grants and Contributions

Grants and contributions are recognized when amounts are awarded. Donor-restricted grants and contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Grants and contributions that are restricted by the donor or grantor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the amounts are recognized.

A conditional contribution exists when it is determinable that a recipient is entitled to the contribution only when it has overcome a barrier and has a right of return. The Organization receives conditional contributions and elects to report conditional contributions for which the donor-imposed conditions and restrictions are met in the same period as net assets without donor restrictions. The Organization had \$1,612,526 and \$1,612,339 in conditional contributions as of September 30, 2025 and 2024, respectively. These amounts will be paid to the Organization if allowable expenditures are incurred in a future period.

Contributed Services, Facilities, Goods

Contributed services are recognized if the services received satisfy the criteria for recognition. Contributions of services are recognized if services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Certain other volunteer services are not recorded in these financial statements as they do not meet the criteria for recognition. The Organization received donated services, facilities, and goods for the years ended September 30, 2025 and 2024 (See Note 4).

Revenue Recognition

Timing of Satisfaction

Revenue from contracts with customers is predominantly earned at a point in time, determined by the completion of performance obligations stated within the agreements, and consists of service fees for providing educational and other services to various organizations.

Transaction Price

The transaction price of a contract with a client is the amount of consideration to which the Organization expects to be entitled for transferring promised services to the member or customer.

Contract Balances

The following table provides information about the Organization's receivables from contracts with customers at September 30:

| | | September 30, 2025 | September 30, 2024 | October 1, 2023 |
|---------------------|----|-----------------------|-----------------------|--------------------|
| Accounts receivable | \$ | - | - | 5,526 |
| Deferred revenue | \$ | 28,517 | 24,823 | 225 |

Income Taxes

The Organization is a publicly supported organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization is not classified as a private foundation. In the preparation of tax returns, tax positions are taken based on interpretation of federal, state, and local income tax laws. Management periodically reviews and evaluates the status of uncertain tax positions and makes estimates of amounts, including interest and penalties, ultimately due or owed. No amounts have been identified, or recorded, as uncertain tax positions. Federal, state, and local tax returns generally remain open for examination by the various taxing authorities for a period of 3 years.

Functional Allocation of Expenses

Direct expenses have been allocated to the applicable program for which the expenses were incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

Subsequent Events

The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through January 29, 2026, the date at which the financial statements were available for release.

3. NET ASSETS WITH DONOR RESTRICTIONS:

The balance of net assets with donor restrictions at September 30, 2025 is as follows:

| | October 1, <u>2024</u> | <u>Increases</u> | <u>Releases</u> | September 30, <u>2025</u> |
|---------------------------------|---------------------------|------------------|-----------------|------------------------------|
| Time restrictions: | | | | |
| Grants receivable | \$ 170,000 | 170,000 | 170,000 | 170,000 |
| Purpose restrictions: | | | | |
| Advocacy | 13,742 | 210,505 | 184,402 | 39,845 |
| Youth Advisory Councils | 71,874 | 13,675 | 83,946 | 1,603 |
| LGBT K-12 | 123,830 | 94,278 | 144,670 | 73,438 |
| Pregnancy and Parenting Support | 83,037 | 100,000 | 107,959 | 75,078 |
| Violent Prevention | - | 3,230 | - | 3,230 |
| Mission Support | <u>68,967</u> | <u>-</u> | <u>68,967</u> | <u>-</u> |
| Total | \$ <u>531,450</u> | <u>591,688</u> | <u>759,944</u> | <u>363,194</u> |

The balance of net assets with donor restrictions at September 30, 2024 is as follows:

| | October 1, <u>2023</u> | <u>Increases</u> | <u>Releases</u> | September 30, <u>2024</u> |
|---------------------------------|---------------------------|------------------|-----------------|------------------------------|
| Time restrictions: | | | | |
| Grants receivable | \$ 180,000 | 100,000 | 110,000 | 170,000 |
| Purpose restrictions: | | | | |
| Advocacy | 101,738 | 8,403 | 96,399 | 13,742 |
| Youth Advisory Councils | 108,123 | 112,372 | 148,621 | 71,874 |
| LGBT K-12 | 77,475 | 46,355 | - | 123,830 |
| Pregnancy and Parenting Support | - | 83,037 | - | 83,037 |
| Mission Support | <u>73,432</u> | <u>68,967</u> | <u>73,432</u> | <u>68,967</u> |
| Total | \$ <u>540,768</u> | <u>419,134</u> | <u>428,452</u> | <u>531,450</u> |

4. IN-KIND CONTRIBUTIONS:

The Organization received the following in-kind support during the years ended September 30:

| | <u>2025</u> | <u>2024</u> | <u>Usage</u> |
|------------------------|------------------|---------------|--------------|
| In-kind services | \$ 6,974 | 13,133 | Programs |
| In-kind facilities-use | 7,665 | 13,940 | Programs |
| In-kind goods | <u>16,291</u> | <u>17,920</u> | Programs |
| | \$ <u>30,930</u> | <u>44,993</u> | |

The Organization received donated services that were valued using estimated hourly wage for identical services using pricing data of similar services under a 'like-kind' methodology, considering the utility of the services at the time of the contribution.

Contributed facilities were valued using 'like-kind' methodology for similar size facilities in the donated area.

Contributed goods were valued using estimated average US prices of identical or similar products using pricing data of similar products under a 'like-kind' methodology, considering the utility of the goods at the time of the contribution.

No in-kind contributions were restricted. The Organization does not sell donated services, facility use, or goods.

5. RETIREMENT PLAN:

The Organization has a 403(b) plan covering all non-student employees who work 20 hours or more per week. Employees that work under 20 hours per week are eligible to participate in the Plan upon attaining one year of service. Each year, participants may contribute up to the maximum amounts allowed (including catch-up contributions) by the Internal Revenue Service. The Organization contributes 2.5% to each participating and non-participating employee, and up to 7.5% of matching contributions to employees who participate in contributing to their own plan. The Organization may also make a discretionary contribution to the Plan. Contributions for the years ended September 30, 2025 and 2024 were \$82,518 and \$76,189, respectively.

6. LIQUIDITY:

The Organization receives significant contributions, grants, and promises to give that are restricted by donors and grantors, and considers contributions and grants restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability; maintaining adequate liquid assets to fund near-term operating needs; and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization forecasts its future cash flows and monitors its liquidity quarterly, and monitors its reserves annually. During the years ended September 30, 2025 and 2024, the level of liquidity and reserves was managed within this target.

The Organization's financial assets available for general expenditures within one year are as follows at September 30:

| | <u>2025</u> | <u>2024</u> |
|--|-------------------|------------------|
| Cash and cash equivalents | \$ 126,387 | 203,226 |
| Certificates of deposit | 306,972 | 418,420 |
| Grants receivable | 351,122 | 399,512 |
| Due from others | 15,570 | - |
| Accrued interest receivable | <u>3,696</u> | <u>3,057</u> |
| | 803,747 | 1,024,215 |
| Restricted by donors with time or purpose restriction | <u>(363,194)</u> | <u>(531,450)</u> |
| Financial assets available to meet cash needs for general expenditure within one year | \$ <u>440,553</u> | <u>492,765</u> |

Restricted cash is not included above since it is not available for general expenditure.

7. CONCENTRATIONS OF CREDIT RISK:

During the year ended September 30, 2025, the Organization had one grantor who comprised approximately 64% of total support and revenue. During the year ended September 30, 2024, the Organization had one grantor who comprised approximately 60% of total support and revenue.

The Organization places its cash accounts with FDIC-insured financial institutions. Currently, the FDIC limits its insurance to \$250,000 in aggregate by each bank. Although cash balances may exceed the federally insured limits throughout the year or at year-end, they are, in the opinion of management, subject to minimal risk.

SUPPLEMENTARY INFORMATION

Michigan Organization on Adolescent Sexual Health
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2025

| Federal Grantor/Pass-Through Grantor/Program Title | Assistance Listing Number | Pass-Through Grantor's Number | Expenditures | Payments to Subrecipients |
|---|---------------------------------|----------------------------------|---------------------|------------------------------|
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | |
| <i>Passed through Michigan Department of Health and Human Services</i> | | | | |
| Maternal and Child Health Services Block Grant to the States | 93.994 | E20230759 | \$ 101,350 | - |
| COVID-19 Affordable Care Act (ACA) Personal Responsibility Education Program | 93.092 | E20231472 | 75,995 | - |
| Teenage Pregnancy Prevention Program | 93.297 | E20231473, E20230759 | 1,974,338 | 1,053,728 |
| Injury Prevention and Control Research and State and Community Based Programs | 93.136 | 5 ASTWH200090-04-00 | <u>214,513</u> | <u>-</u> |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | <u>2,366,196</u> | <u>1,053,728</u> |
| TOTAL FEDERAL AWARD EXPENDITURES | | | \$ <u>2,366,196</u> | <u>1,053,728</u> |

See accompanying notes to the schedule of expenditures of federal awards.

1. BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Michigan Organization on Adolescent Sexual Health under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Michigan Organization on Adolescent Sexual Health it is not intended to and does not present the financial position, changes in net assets, or cash flows of Michigan Organization on Adolescent Sexual Health.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Amounts passed through to subrecipients are reported on the cash basis in accordance with the Uniform Guidance.

3. INDIRECT COST RATE:

Michigan Organization on Adolescent Sexual Health has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Directors
Michigan Organization on Adolescent Sexual Health
East Lansing, Michigan 48823

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Michigan Organization on Adolescent Sexual Health (a not-for-profit organization) ("the Organization"), which comprise the statement of financial position as of September 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 29, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Michigan Organization on Adolescent Sexual Health's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Michigan Organization on Adolescent Sexual Health's internal control. Accordingly, we do not express an opinion on the effectiveness of Michigan Organization on Adolescent Sexual Health's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Michigan Organization on Adolescent Sexual Health's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Michigan Organization on Adolescent Sexual Health's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express

such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

East Lansing, Michigan
January 29, 2026



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Board of Directors
Michigan Organization on Adolescent Sexual Health
East Lansing, Michigan 48823

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Michigan Organization on Adolescent Sexual Health's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Michigan Organization on Adolescent Sexual Health's major federal programs for the year ended September 30, 2025. Michigan Organization on Adolescent Sexual Health's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Michigan Organization on Adolescent Sexual Health complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Michigan Organization on Adolescent Sexual Health and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Michigan Organization on Adolescent Sexual Health's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Michigan Organization on Adolescent Sexual Health's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Michigan Organization on Adolescent Sexual Health's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Michigan Organization on Adolescent Sexual Health's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Michigan Organization on Adolescent Sexual Health's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Michigan Organization on Adolescent Sexual Health's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Michigan Organization on Adolescent Sexual Health's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

East Lansing, Michigan
January 29, 2026

SECTION I: SUMMARY OF AUDITORS' RESULTS

Financial Statements

| | |
|--|---------------|
| Type of auditors' report issued | Unmodified |
| Internal control over financial reporting: | |
| • Material weakness(es) identified? | No |
| • Significant deficiency(ies) identified that are not considered to be material weakness(es)? | None reported |
| Noncompliance material to financial statements noted? | No |
| Federal Awards | |
| Internal control over major programs: | |
| • Material weakness(es) identified? | No |
| • Significant deficiency(ies) identified that are not considered to be material weakness(es)? | None reported |
| Type of auditors' report issued on compliance for major programs: | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? | No |
| Identification of major programs: | |
| 93.297 – Teenage Pregnancy Prevention Program | |
| Dollar threshold used to distinguish between Type A and type B programs: | \$1,000,000 |
| Auditee qualified as low-risk auditee? | Yes |

SECTION II: FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

