

COMMON GROUND
FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

BOISVENU & COMPANY, P.C.
Certified Public Accountants
Bingham Farms, Michigan

COMMON GROUND

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Common Ground

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Common Ground (a nonprofit 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 Common Ground 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 audit 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Common Ground and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

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 Common Ground'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 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 Common Ground'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 Common Ground's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our 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 7, 2026, on our consideration of Common Ground'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 Common Ground'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 Common Ground's internal control over financial reporting and compliance.

Boisvenue & Company, P.C.

January 7, 2026

COMMON GROUND

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2025 AND 2024

	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 5,240,768	\$ 2,412,568
Accounts receivable - net	2,464,692	2,664,436
Prepaid expenses	206,980	186,135
Land contract receivable - current portion	8,703	-
Total Current Assets	<u>7,921,143</u>	<u>5,263,139</u>
Non-current Assets		
Land contract receivable - net of current portion	407,370	-
Security deposit	24,418	31,802
Property, equipment and leasehold improvements - net	30,642	117,465
Beneficial interest in perpetual endowment	122,629	115,936
Right-of-use assets - operating lease	2,346,971	2,653,877
Total Non-current Assets	<u>2,932,030</u>	<u>2,919,080</u>
TOTAL ASSETS	<u><u>\$ 10,853,173</u></u>	<u><u>\$ 8,182,219</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 3,012,967	\$ 1,282,068
Accrued salaries and payroll taxes	1,309,515	1,087,709
Refundable advance and agency obligations	195,231	29,334
Operating lease liabilities - current portion	168,258	204,432
Total Current Liabilities	<u>4,685,971</u>	<u>2,603,543</u>
Long-term Liabilities		
Operating lease liabilities - net of current portion	<u>2,287,067</u>	<u>2,490,997</u>
Total Liabilities	<u>6,973,038</u>	<u>5,094,540</u>
Net Assets		
Without Donor Restrictions	3,113,394	2,432,727
With Donor Restrictions	766,741	654,952
Total Net Assets	<u>3,880,135</u>	<u>3,087,679</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 10,853,173</u></u>	<u><u>\$ 8,182,219</u></u>

See accompanying notes to financial statements.

COMMON GROUND

STATEMENTS OF ACTIVITIES

YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	Without Donor Restrictions	With Donor Restrictions	2025 Total	Without Donor Restrictions	With Donor Restrictions	2024 Total
REVENUE AND SUPPORT						
Governmental agency contracts	\$ 29,201,245	\$ -	\$ 29,201,245	\$ 26,970,350	\$ -	\$ 26,970,350
Gifts and contributions	828,314	328,005	1,156,319	337,027	326,309	663,336
Special event - net	112,338	-	112,338	65,285	-	65,285
Contributions of non-financial assets	137,183	-	137,183	113,795	-	113,795
Program and other income	545,746	-	545,746	181,001	-	181,001
Investment income	50,194	6,693	56,887	34,090	14,584	48,674
Gain on sale of assets	400,273	-	400,273	-	-	-
	<u>31,275,293</u>	<u>334,698</u>	<u>31,609,991</u>	<u>27,701,548</u>	<u>340,893</u>	<u>28,042,441</u>
Net assets released from restrictions	222,909	(222,909)	-	285,947	(285,947)	-
TOTAL REVENUE AND SUPPORT	<u>31,498,202</u>	<u>111,789</u>	<u>31,609,991</u>	<u>27,987,495</u>	<u>54,946</u>	<u>28,042,441</u>
EXPENSES						
Program Services						
Responding to crisis	22,886,338	-	22,886,338	21,266,383	-	21,266,383
Providing safety and advocacy	3,267,968	-	3,267,968	3,434,941	-	3,434,941
Building communities of support	1,339,248	-	1,339,248	1,280,983	-	1,280,983
Total Program Services	<u>27,493,554</u>	<u>-</u>	<u>27,493,554</u>	<u>25,982,307</u>	<u>-</u>	<u>25,982,307</u>
Supporting Services						
Management and general	2,905,102	-	2,905,102	2,339,468	-	2,339,468
Fund raising	418,879	-	418,879	431,473	-	431,473
Total Supporting Services	<u>3,323,981</u>	<u>-</u>	<u>3,323,981</u>	<u>2,770,941</u>	<u>-</u>	<u>2,770,941</u>
TOTAL EXPENSES	<u>30,817,535</u>	<u>-</u>	<u>30,817,535</u>	<u>28,753,248</u>	<u>-</u>	<u>28,753,248</u>
CHANGE IN NET ASSETS	680,667	111,789	792,456	(765,753)	54,946	(710,807)
NET ASSETS, beginning of year	<u>2,432,727</u>	<u>654,952</u>	<u>3,087,679</u>	<u>3,198,480</u>	<u>600,006</u>	<u>3,798,486</u>
NET ASSETS, end of year	<u>\$ 3,113,394</u>	<u>\$ 766,741</u>	<u>\$ 3,880,135</u>	<u>\$ 2,432,727</u>	<u>\$ 654,952</u>	<u>\$ 3,087,679</u>

See accompanying notes to financial statements.

COMMON GROUND

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2025

	Program Services			Supporting Services		Total
	Responding to Crisis	Providing Safety and Advocacy	Building Communities of Support	Management and General	Fund Raising	
Salaries and wages	\$ 16,050,115	\$ 1,692,258	\$ 654,232	\$ 1,720,363	\$ 208,794	\$ 20,325,762
Fringes and personnel costs	3,426,515	365,102	166,389	470,704	53,862	4,482,572
Contract services	1,461,336	180,938	62,539	201,370	60,547	1,966,730
Occupancy	643,463	559,955	286,409	189,975	38,859	1,718,661
Telephone	185,049	14,811	18,611	19,460	1,873	239,804
Other communications	65,278	1,058	12,309	56,793	21,797	157,235
Information and education	14,462	2,126	2,686	13,530	1,100	33,904
Supplies and materials	654,036	129,824	79,694	84,265	14,416	962,235
Specific assistance	6,122	42,028	15,661	-	-	63,811
Transportation and travel	87,054	48,651	5,726	3,707	189	145,327
Equipment, rental, and maintenance	20,463	13,496	8,550	3,127	1,043	46,679
Insurance	143,736	27,553	21,474	141,088	5,357	339,208
Volunteer services and in-kind materials	24,465	95,988	4,968	720	11,042	137,183
Bad debt	99,964	89,885	-	-	-	189,849
Depreciation	4,280	4,295	-	-	-	8,575
Total Functional Expenses	<u>\$ 22,886,338</u>	<u>\$ 3,267,968</u>	<u>\$ 1,339,248</u>	<u>\$ 2,905,102</u>	<u>\$ 418,879</u>	<u>\$ 30,817,535</u>

See accompanying notes to financial statements.

COMMON GROUND

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2024

	Program Services			Supporting Services		Total
	Responding to Crisis	Providing Safety and Advocacy	Building Communities of Support	Management and General	Fund Raising	
Salaries and wages	\$ 14,461,786	\$ 1,716,649	\$ 585,272	\$ 1,458,400	\$ 175,352	\$ 18,397,459
Fringes and personnel costs	3,094,615	363,100	149,374	375,272	44,859	4,027,220
Contract services	1,828,006	278,744	150,253	151,345	95,162	2,503,510
Occupancy	613,475	592,131	171,233	121,191	16,934	1,514,964
Telephone	118,161	16,892	14,133	19,912	2,396	171,494
Other communications	25,982	5,579	40,289	71,768	65,140	208,758
Information and education	85,133	12,580	5,198	26,971	2,512	132,394
Supplies and materials	529,691	125,697	72,874	77,200	11,896	817,358
Specific assistance	4,982	155,336	43,752	-	-	204,070
Transportation and travel	171,898	61,436	19,001	2,884	5,793	261,012
Equipment, rental, and maintenance	16,319	6,039	5,049	2,566	545	30,518
Insurance	240,140	21,722	20,518	28,275	2,546	313,201
Volunteer services and in-kind materials	23,425	77,691	3,513	970	8,196	113,795
Interest	41,029	-	-	1,530	-	42,559
Depreciation	11,741	1,345	524	1,184	142	14,936
Total Functional Expenses	<u>\$ 21,266,383</u>	<u>\$ 3,434,941</u>	<u>\$ 1,280,983</u>	<u>\$ 2,339,468</u>	<u>\$ 431,473</u>	<u>\$ 28,753,248</u>

See accompanying notes to financial statements.

COMMON GROUND

STATEMENTS OF CASH FLOWS

YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 792,456	\$ (710,807)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	8,575	14,936
Fair value of donated securities	(503,351)	-
Proceeds from sale of donated securities	499,179	-
Realized loss on sale of donated securities	4,172	-
Net gain on endowment fund	(6,693)	(14,584)
Gain on sale of property and equipment	(400,273)	-
Imputed interest on land contract receivable	(17,460)	-
Operating lease expense amortization	376,244	144,268
(Increase) decrease in operating assets		
Accounts receivable - net	199,744	783,363
Prepaid expenses	(20,845)	(46,913)
Security deposit	7,384	(28,390)
Increase (decrease) in operating liabilities		
Accounts payable	1,730,899	927,949
Accrued salaries and payroll taxes	221,806	81,308
Refundable advance and agency obligations	165,897	(8,434)
Principal payments on operating leases	(309,442)	(102,716)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,748,292</u>	<u>1,039,980</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	97,508	-
Purchase of property and equipment	(17,600)	(32,152)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>79,908</u>	<u>(32,152)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,828,200	1,007,828
CASH AND CASH EQUIVALENTS, beginning of year	<u>2,412,568</u>	<u>1,404,740</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 5,240,768</u>	<u>\$ 2,412,568</u>
SUPPLEMENTAL INFORMATION		
Interest paid	<u>\$ -</u>	<u>\$ 42,559</u>
Land contract acquired	<u>\$ 416,073</u>	<u>\$ -</u>

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Common Ground (the Organization) is a Michigan nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as an organization that is not a private foundation.

The Organization's program and supporting services are as follows:

Program Services

Common Ground's core purpose is helping people move from crisis to hope. The Organization provides a comprehensive array of services to Southeast Michigan residents in crisis through a network of innovative education, prevention, intervention and information services. Services by Common Ground include:

Responding to Crisis

- *Crisis Assessment Team (CAT)* – Triage and assessment for people in crisis who need access to the crisis continuum in Oakland County, including walk-in crisis services and emergency department assessments/referrals.
- *Oakland Assessment & Crisis Intervention Service (OACIS)* – provides 24/7 acute crisis stabilization for adults through an interdisciplinary team of professionals.
- *Resource and Crisis Hub (RCH)* – A local call center that is the communication hub for the local crisis continuum assisting community partners and people in crisis who need connection to crisis services, follow-up, and community prevention/education.
- *Genesee Mobile Crisis Service (GMCS) – Genesee County* – Through community-based mobile crisis teams, serves residents of Genesee County in need of immediate assistance in stabilizing mental health crises, co-occurring serious mental illness and substance use disorder crises, preventing hospitalization, and accessing medically necessary substance abuse and/or mental health services and support.
- *Oakland Mobile Crisis Services – Oakland County* – Serving Certified Community Behavioral Health Clinics in Oakland County. Timely, on-location intervention for children and adults of Easterseals MORC and CNS Healthcare, who are experiencing mental health/substance use crises.
- *Crisis Intervention & Recovery Team (OCIRT) – Oakland County* – Through community-based mobile crisis teams, serves residents of Oakland County in need of immediate assistance in stabilizing mental health crises, co-occurring serious mental illness and substance use disorder crises, preventing hospitalization, and accessing medically necessary substance abuse and/or mental health services and support.

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Program Services (continued)

Responding to Crisis (continued)

- *Kevin's Law (Oakland County)* – Assisted Outpatient Treatment Program, commonly referred to as Kevin's Law, this program is operated in collaboration with Oakland County Probate Court for persons with a mental illness who require a court order to accept outpatient mental health care. The program was discontinued on February 21, 2025.
- *Michigan Crisis and Access Line (MiCAL)* – Michigan's 24/7 statewide crisis, support, information, and referral line. It is for all Michiganders and is meant for people in crisis or distress who do not know where to turn. MiCAL is the umbrella program for additional support lines.
 - *988: Suicide and Crisis Lifeline* – The Lifeline responds 24/7 to calls, chats, or texts from anyone who needs support for suicidal, mental health, and/or substance use crisis, and connects those in need with trained crisis counselors.
 - *Peer Warmline* – statewide 16-hour per day telephone line to connect people living with persistent mental health and/or substance use conditions. The warmline connects individuals with certified peer support specialists who have lived experiences of behavioral health issues, trauma or personal crises, and are trained to support and empower the callers.
 - *Frontline Strong* – statewide 24/7 telephone line to provide first responders and public safety staff mental health and crisis support.
- *Behavioral Health Urgent Care (BHUC)* – is a virtual visit platform for people across the State of Michigan who need immediate emotional or psychiatric support from a licensed healthcare provider.

Providing Safety and Advocacy

- *Victim Assistance Program (VAP)* – 24-hour access to advocates for victims of crime, domestic and sexual abuse, workplace violence, and human trafficking.
- *Crisis Residential Unit (CRU)* – recovery oriented, short-term, voluntary psychiatric domiciliary care for adults that includes medication management and monitoring, nursing, group therapy, art therapy, and discharge planning for recovery.
- *Sober Support Unit (SSU)* – voluntary 24-hour program designed to support and coach adults who need detoxification services and residential substance use treatment and have low health risks.
- *Survivors of Suicide Loss* – bi-monthly open support groups for people who have lost a loved one to suicide. An eight-week, closed support group is also offered three times per year.

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Program Services (continued)

Building Communities of Support

This includes efforts related to the education of the community on mental health issues.

- *Survivors of Homicide Loss* – bi-monthly twelve-week closed support groups for people who have lost a loved one to homicide or drunk driving.
- *All for Oxford Resiliency Center* – offers long-term healing, community connection, and resources to anyone impacted by the mass violence event in the Oxford, Michigan community.
- *United Resiliency* – offers healing, community connection, and resources to anyone impacted by the tragic events that occurred on the campus of Michigan State University. This program was discontinued on September 30, 2025.
- *Rochester Hills Resiliency Center* – offers long-term healing, community connection, and resources to anyone impacted by the mass violence event in Rochester Hills, Michigan.

Management and General

This includes the functions necessary to maintain an adequate working environment, provide proper administrative support of the Organization's programs, and manage the financial and budgeting responsibilities of the Organization.

Fund Raising

This provides the structure necessary to encourage and secure financial and volunteer support from individuals, foundations and government agencies.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 reported period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, highly liquid investments with maturities of three months or less when purchased are considered cash equivalents and recorded at cost, which approximates fair value.

Property, Equipment and Leasehold Improvements

Property, equipment and leasehold improvements are carried at cost or, if donated, at fair value at the time of the donation. Depreciation is provided on a straight-line basis over the estimated useful lives of three to twenty-seven and a half years. It is the Organization's policy to capitalize acquisitions of \$10,000 or more. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs and cloud based software are charged to expense as incurred.

Revenue and Support

Contributions received that are conditional are recognized as revenue when the condition is satisfied. A condition occurs where the donor stipulation creates a measurable barrier contingent on a future performance or event which limits how the activity is conducted, and the entitlement to the funding is directly related to the satisfaction of the stipulation. Conditions are satisfied based on incurring qualified expenses, and/or satisfying a milestone, and/or execution of other deliverable units of service. A refundable advance is recorded when the Organization receives assets (i.e. cash) in advance of the satisfaction of the conditions within these arrangements. As of September 30, 2025, there was \$194,331 of refundable advances recorded.

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Support (continued)

Retroactive determination of allowable costs by resource providers may result in final settlements different from interim payments for reimbursable services submitted by the Organization. Revenue is reported at the estimated net realizable amounts from resource providers, for services rendered including estimated retroactive adjustments under reimbursement agreements. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions.

The Organization elects to report restricted contributions that were initially conditional and for which both the condition and the restriction simultaneously occur as increases in net assets without donor restrictions in accordance with *Presentation of Financial Statements of Not-for-Profit Entities* FASB ASC 958-605-45-4B.

The Organization reports unconditional gifts of cash and other assets as support with donor restrictions 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), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization reports gifts of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The Organization receives donated services and supplies from various organizations and individuals in order to accomplish its program objectives. Contributions of donated services that create or enhance non-financial assets or require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation are recorded at their fair values and are reflected in the financial statements as support.

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Support (continued)

In accordance with *Revenues from Contracts with Customers* FASB 606-10-50, program income revenue from contracts with customers, patients and third-party payors are recognized as service is rendered. The majority of these revenue arrangements generally consist of a single performance obligation to transfer promised goods or services. The Organization bills patients and third-party payors after services are performed on the basis of contractual rates for such services. Revenues are recognized on the date of service as the service and products are provided by the Organization. Revenue from patient and third party fees and the related receivables are recorded at amounts estimated to be received under reimbursement arrangements. The Organization determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience.

Contributions of Marketable Securities

Proceeds from sales of donated securities without donor-imposed long-term restrictions are reported as cash inflows from operating activities.

Accounts Receivable

The Organization used historical loss information based on the aging of receivables as the basis to determine expected credit losses for receivables and believes that the composition of receivables at year-end is consistent with historical conditions as credit terms and practices and the client base has not changed significantly.

Pledge Receivable/Promises to Give

The Organization has donor pledges; however, they are considered intentions to give which do not meet the accounting requirements for financial statement recognition. Approximately \$62,600 is expected to be received over the next five years and will be recorded when received.

Functional Classification of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification of expenses by function. Directly identifiable expenses are charged to the associated program and supporting services. Certain indirect costs have been allocated among the programs and supporting services benefited. Personnel and related costs are allocated based on estimates of time and effort. Other costs, such as occupancy, are allocated on a square footage basis.

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tax Positions

The Organization is subject to routine audits by taxing jurisdictions; however, there are no audits currently in progress for any tax periods. The Organization believes it is no longer subject to income tax examinations for fiscal years ending prior to September 30, 2018.

Fair Value Disclosure

Generally accepted accounting principles require disclosure of an estimate of fair value of certain financial instruments. The Organization's significant financial instruments are cash and cash equivalents, accounts receivable, and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of September 30, 2025 and 2024 reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	<u>2025</u>	<u>2024</u>
Financial assets, at year end	\$ 7,836,792	\$ 5,192,940
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	(663,281)	(551,492)
Donor restricted endowment funds	<u>(103,460)</u>	<u>(103,460)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 7,070,051</u>	<u>\$ 4,537,988</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. The Organization also prepares budget reports in order to both achieve and monitor cash needs. In the event of an unanticipated liquidity need, the Organization also could draw from its line of credit, which has \$1,000,000 available (as further discussed in Note 13).

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

3. FAIR VALUE MEASUREMENTS

Various inputs may be used in determining the fair value of the Organization's assets and liabilities measured on a recurring basis. These inputs are market-based measurements based on and determined by the assumptions that market participants would use in pricing an asset or a liability and are summarized into three levels:

Level (1): Inputs to the valuation methodology are quoted prices for identical assets in active markets.

Level (2): Inputs to the valuation methodology include quoted prices for similar assets in active markets, and inputs that are observable for the asset, either directly or indirectly.

Level (3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement (including the Organization's own assumptions in determining the fair value of an asset or a liability).

Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about projections market participants would use in developing a price that would be received to sell an asset or paid to transfer a liability based on the best information available in the circumstances. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The following table summarizes the Organization's inputs used to determine their values on September 30, 2025:

	Level 1	Level 2	Level 3
Beneficial interest in perpetual endowment	\$ -	\$ 122,629	\$ -
Land contract receivable	-	-	416,073
	\$ -	\$ 122,629	\$ 416,073

The following table summarizes the Organization's inputs used to determine their values on September 30, 2024:

	Level 1	Level 2	Level 3
Beneficial interest in perpetual endowment	\$ -	\$ 115,936	\$ -

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

3 FAIR VALUE MEASUREMENTS (continued)

Changes in net assets measured on a recurring basis using significant unobservable input (Level 3 inputs):

Beginning balance at 9/30/24	\$	-
Increase in receivable		416,073
Payments received		-
Write offs		-
Change in allowance		-
Change in valuation		-
		<u>-</u>
Ending balance at 9/30/25	\$	<u>416,073</u>

4. ALLOWANCE FOR CREDIT LOSSES

The provision for expected credit losses reflects the Organization’s estimate of uncollectible amounts due to credit risk. Contractual adjustments with insurance payers are recorded separately as reductions to revenue. An allowance for credit losses is an estimate based upon historical account write-off trends, facts about the current financial condition of the debtor, forecasts of future operating results based upon current trends, and macroeconomic factors. Credit quality is monitored through the timing of payments compared to payment terms and known facts regarding the financial condition of debtors. Accounts receivable balances are charged off against the allowance for credit losses after recovery efforts have ceased. The Organization had the following activity for its allowance for credit losses for accounts receivable for the years ended September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 13,521	\$ 42,504
Provision for expected credit losses	189,849	-
Write-offs	<u>(4,849)</u>	<u>(28,983)</u>
Ending balance	<u>\$ 198,521</u>	<u>\$ 13,521</u>

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

5. BENEFICIAL INTEREST

The Organization entered into an agreement with the Community Foundation for Southeast Michigan (CFSEM) to establish an endowment fund. The fund was created with the proceeds from a contribution without donor restrictions that the Organization had received. In accordance with FASB ASC 958-605-25-24, *Transfer of Assets to a Non-Profit or Charitable Trust That Raises or Holds Contributions for Others*, this portion of the fund, known as the reciprocal portion, has been recorded as an investment on the books of the Organization, even though CFSEM may have variance power (i.e. ability to control who the beneficiary will be upon the occurrence of events which include, but are not limited to, the dissolution of Common Ground) over the asset. Subsequently, the Organization also made a reciprocal transfer to the CFSEM, of proceeds from an endowment contribution. In addition to the reciprocal transfer made by the Organization, third party donors have also made contributions to the fund for the benefit of the Organization. CFSEM maintains explicit variance power over any third party gifts and the earnings thereon. As a result, in accordance with FASB ASC Topic 958, this portion is not recorded as an asset of the Organization. Fund investments are determined by the trustee of CFSEM and earnings are available for distribution to the Organization for operations at the discretion of CFSEM. The market value of the contributed portion of the fund (contributions from third party donors plus net earnings) has been calculated by CFSEM and is shown below as "Amount allocable to the contributed amount of the fund".

The changes in beneficial interest for September 30, 2025 are as follows:

	Amount allocable to the reciprocal transfer amount	Amount allocable to the contributed amount of the fund	Total
Market value at September 30, 2024	\$ 115,936	\$ 774,341	\$ 890,277
Transfer	-	5,000	5,000
Change in investment	11,942	80,167	92,109
Grant funds distributed	(4,739)	(32,523)	(37,262)
Fees	(510)	(3,621)	(4,131)
Market value at September 30, 2025	<u>\$ 122,629</u>	<u>\$ 823,364</u>	<u>\$ 945,993</u>

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

5. BENEFICIAL INTEREST (continued)

The changes in beneficial interest for September 30, 2024 are as follows:

	Amount allocable to the reciprocal transfer amount	Amount allocable to the contributed amount of the fund	Total
Market value at September 30, 2023	\$ 101,352	\$ 688,062	\$ 789,414
Transfer	-	-	-
Change in investment	20,662	138,863	159,525
Grant funds distributed	(5,649)	(48,953)	(54,602)
Fees	(429)	(3,631)	(4,060)
Market value at September 30, 2024	<u>\$ 115,936</u>	<u>\$ 774,341</u>	<u>\$ 890,277</u>

6. LAND CONTRACT RECEIVABLE

The Organization has a land contract receivable with an original balance of \$425,000 less imputed interest relating to the sale of land and building, terms of which include an interest rate of 6.25% and monthly principal and interest payments of \$3,000 beginning on February 1, 2026, with a balloon payment of \$407,556 on February 1, 2028. At September 30, 2025, the receivable balance is \$416,073.

The credit quality indicator is performance determined by delinquency status. Management has defined non-performing loans as non-current (impaired). Delinquency status is updated and evaluated monthly by the Organization. Loan balances are written off only when they are deemed to be permanently uncollectible.

The following table sets forth the aging of the land contract receivable as of September 30, 2025:

30 - 59 Days Past Due	60 - 89 Days Past Due	Greater Than 90 Days	Total Past Due	Non- Delinquent	Total Balance
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 416,073</u>	<u>\$ 416,073</u>

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

7. PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

At September 30, 2025, property, equipment and leasehold improvements consist of the following:

	Beginning Balance	Additions	Dispositions	Ending Balance
Land	\$ 75,000	\$ -	\$ 75,000	\$ -
Building	182,657	-	182,657	-
Building and leasehold improvements	676,912	-	654,519	22,393
Furniture and equipment	117,794	17,600	19,352	116,042
Vehicle	33,339	-	-	33,339
	<u>1,085,702</u>	<u>\$ 17,600</u>	<u>\$ 931,528</u>	171,774
Less accumulated depreciation	<u>968,237</u>	<u>\$ 8,575</u>	<u>\$ 835,680</u>	<u>141,132</u>
	<u>\$ 117,465</u>			<u>\$ 30,642</u>

8. LEASE COMMITMENTS

Operating Leases

The Organization has operating leases for vehicles, equipment and office facilities expiring on various dates through February 2037. Pursuant to adopting FASB ASC 842, the Organization determines if an arrangement is a lease at the inception of a contract, and recognizes operating lease expense on a straight-line basis over the lease term. The Organization has elected to use a risk-free discount rate as allowed by FASB ASC 842-20-30-3. Leases with an initial term of twelve months or less are not recorded on the statement of financial position and are expensed on a straight-line basis.

The following summarizes the line items in the statement of financial position for right-of-use assets and lease liabilities of operating leases as of September 30, 2025:

Right-of-use assets	<u>\$ 2,346,971</u>
Lease liabilities:	
Current	\$ 168,258
Net of current	<u>2,287,067</u>
Total lease liabilities	<u>\$ 2,455,325</u>

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

8. LEASE COMMITMENTS (continued)

Operating Leases (continued)

The summarized weighted average remaining lease term and discount rate as of September 30, 2025:

Weighted Average Remaining Lease Term:	11.04 years
Weighted Average Discount Rate:	4.07%

The following summarizes the components of lease expense included on the statement of activities and functional expenses for the year ended September 30, 2025:

Lease cost	
Operating leases:	
Occupancy	\$ 295,117
Equipment rental and maintenance	24,252
Travel and transportation	<u>23,383</u>
	<u>\$ 342,752</u>

Short-term lease costs for the years ended September 30, 2025 and September 30, 2024 were \$576,679 and \$571,519, respectively.

The aggregate future lease payments below summarize the remaining future undiscounted cash flows for the operating leases as of September 30, 2025, and reconciliation to operating lease liabilities reported on the statement of financial position:

2026	\$ 265,593
2027	273,726
2028	259,534
2029	257,068
2030	261,605
Thereafter	<u>1,761,678</u>
Total lease payments	3,079,204
Less interest/discount	<u>623,879</u>
Present value of lease liability	2,455,325
Less current portion	<u>168,258</u>
Net of current portion	<u>\$ 2,287,067</u>

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

8. LEASE COMMITMENTS (continued)

Operating Leases (continued)

Cash paid for amounts included in the measurement of lease liabilities for the years ended September 30, 2025 and 2024 were \$309,442 and \$102,716, respectively.

Lease asset obtained in exchange for lease obligation for the years ended September 30, 2025 and 2024 were \$69,335 and \$2,669,517, respectively for administrative office facilities, program equipment and vehicles.

9. NET ASSETS WITH DONOR RESTRICTIONS

At September 30, 2025 and 2024, net assets with donor restrictions consist of cash and cash equivalents and a beneficial interest and are available for the following purposes:

	<u>2025</u>	<u>2024</u>
Subject to the passage of time:		
Unappropriated appreciation on beneficial interest	\$ 19,169	\$ 12,476
Subject to expenditure for specified purpose:		
Crisis Help/Text Line	168,844	168,844
Rosemary Holland Institute	168,143	181,481
VAP	91,097	13,837
Expressive Arts/Art Therapy	76,098	76,098
Rochester Hills	35,114	-
Crisis Traffic Control Board	25,000	-
Oxford	19,586	46,520
Employee Emergency Fund	18,103	13,608
RCH	17,391	17,391
Victim Assistance Housing Program	7,829	-
Mass Violence	6,693	10,758
SPARK	5,974	5,974
Adopt A Family	4,240	4,505
	<u>663,281</u>	<u>551,492</u>
Not subject to appropriation or expenditure:		
Beneficial interest in perpetual endowment	<u>103,460</u>	<u>103,460</u>
	<u>\$ 766,741</u>	<u>\$ 654,952</u>

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

10. INVESTMENT INCOME

The following schedule details the investment income in the statement of activities as of September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Dividends and interest	\$ 54,366	\$ 34,090
Net realized/unrealized gain	<u>2,521</u>	<u>14,584</u>
	<u>\$ 56,887</u>	<u>\$ 48,674</u>

11. ENDOWMENT FUND CHANGES

The Organization's endowment consists of a beneficial interest. The endowment consists of net assets with donor restrictions. As required by generally accepted accounting principles, net assets are classified and reported based on the existence or absence of donor-imposed restrictions.

Changes in endowment net assets for the years ended September 30, 2025 and 2024 are summarized as follows:

	<u>With Donor Restrictions</u>
Balance - September 30, 2024	\$ 115,936
Contributions	-
Investment income - net	11,432
Distributions to net assets without donor restrictions	<u>(4,739)</u>
Balance - September 30, 2025	<u>\$ 122,629</u>
	<u>With Donor Restrictions</u>
Balance - September 30, 2023	\$ 101,352
Contributions	-
Investment income - net	20,233
Distributions to net assets without donor restrictions	<u>(5,649)</u>
Balance - September 30, 2024	<u>\$ 115,936</u>

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

11. ENDOWMENT FUND CHANGES (continued)

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of accumulated gifts. At September 30, 2025, there were no funds with deficiencies.

At September 30, 2024, there were no funds with deficiencies.

Interpretation of Relevant Law

The Organization classifies as donor-restricted net assets (a) the original value of the gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulation to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions based on accumulation of earnings until appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by Uniform Prudent Management of Institutional Funds Act (UPMIFA).

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the fund
- The investment policies of the fund

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

11. ENDOWMENT FUND CHANGES (continued)

Investment Policy for Endowment Funds

All endowment assets have been transferred to CFSEM and placed in an endowment pool. The long term investment objective is to preserve and enhance principal over time. Total return, consistent with prudent investment management, is the primary goal. Diversification of asset class, investment style, and investment manager is employed to avoid undue risk concentration and to enhance total return. The long-term return objective is expressed as a range from 6% to 8%, net of investment fees. The investment earnings from the fund will be used to support future operations and programs of the Organization.

Strategies Employed for Achieving Objectives

The endowment's spending and investment policies work together to achieve the objective of a predictable stream of funding. To satisfy its long-term rate-of-return objectives, the CFSEM relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Spending Policy

CFSEM's spending policy calculates the amount of money annually available for distribution from the endowed funds for grant making and administration. The spending policy is reviewed and determined annually by CFSEM's Board of Trustees. The current spending policy is up to 5% of the average market value over the previous 12 quarters. The Organization, as part of its annual budget, will authorize, or may opt to decline, the distribution.

12. CONCENTRATIONS

The Organization maintains cash and cash equivalent balances in various financial institutions in Michigan. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each institution. At September 30, 2025, the uninsured cash balances totaled approximately \$4,958,300.

The Organization's two largest funders account for 44 percent and 41 percent of total revenue and support.

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

13. LINE OF CREDIT

The Organization has a revolving line of credit up to \$1,000,000. Borrowings under this line of credit bear interest and are due on demand. Borrowings under this agreement are collateralized by substantially all assets of the Organization. The Organization has the full amount of credit available at September 30, 2025. The Organization incurred no interest expense from its line of credit.

14. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors during the year are as follows:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purpose:		
Behavioral Health Urgent Care	\$ 113,068	\$ 210,841
VAP	57,599	28,752
Rosemary Holland Institute	23,337	19,082
Oxford	12,038	25,234
Rochester Hills	10,116	-
Mass Violence	4,065	-
Victim Assistance Housing Program	2,171	-
Adopt A Family	265	280
Employee Emergency Fund	250	232
MSU Resiliency	-	1,526
	<u>\$ 222,909</u>	<u>\$ 285,947</u>

15. SPECIAL EVENTS

Revenues from special events were \$144,986 with related expenses of \$32,648 for the year ended September 30, 2025.

Revenues from special events were \$108,129 with related expenses of \$42,844 for the year ended September 30, 2024.

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

16. NON-CASH CONTRIBUTIONS

During the year ending September 30, 2025, the Organization received the following non-cash contributions:

	Non-financial Assets	Financial Assets	Total
Services	\$ 121,333	\$ -	\$ 121,333
Art	7,723	-	7,723
Clothing and household goods	6,987	-	6,987
Gift cards	835	-	835
Food inventory	305	-	305
Stock	-	503,351	503,351
	<u>\$ 137,183</u>	<u>\$ 503,351</u>	<u>\$ 640,534</u>

The non-financial assets received by the Organization during the year consisted of goods and services which were without donor restrictions.

In-kind contributions were valued using estimated average U.S. prices of identical or similar products or services using pricing data of similar products or services under a ‘like-kind’ methodology, considering the utility of the services and goods at the time of the contribution.

Donated goods include various household items used by individuals in the shelter. Donated services included crisis counseling services for the 24-hour resource and crisis helpline, masters-level services at our OACIS program, expressive arts activities for our crisis residential unit, and legal services. During the fiscal year ended September 30, 2025, the Organization was supported by 13 volunteers who contributed approximately 4,760 hours of service. In addition, many other individuals also volunteer their time to perform a variety of tasks that assist the Organization; however, their time does not meet the criteria for recognition.

During the fiscal year ended September 30, 2024, the Organization was supported by 14 volunteers who contributed approximately 4,630 hours of service. In addition, many other individuals also volunteer their time to perform a variety of tasks that assist the Organization; however, their time does not meet the criteria for recognition.

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

17. CONTINGENCY

In the normal course of operations, there could be outstanding contingent liabilities resulting from lawsuits, governmental agency assessments, contract disputes, etc., which are not known to the Organization and therefore have not been reflected in the accompanying financial statements. The Organization's management is of the opinion that such liabilities, if any, will be either immaterial or the Organization's insurance coverage is adequate to cover any potential losses. An estimate of any known potential losses in excess of insurance coverage cannot be made at this time.

18. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 7, 2026, the date the financial statements were available to be issued.

Subsequent to September 30, 2025, the Organization was informed that its second-largest funder will not be renewing its cost-reimbursement contract supporting adult crisis services. Services will end in February 2026. In response, management has implemented a comprehensive plan to realign operations and maintain the Organization's financial stability. This plan includes a restructuring of the workforce associated with adult crisis services and the discontinuation of related facility costs. These actions form part of a broader, proactive strategy designed to enhance long-term operational efficiency and ensure the Organization remains well-positioned to fulfill its mission. Management continues to pursue additional initiatives to further mitigate the impact of the contract conclusion and strengthen overall organizational resilience.

COMMON GROUND

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2025

FEDERAL/PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	EXPENDITURES
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Michigan Public Health Institute Block Grants for Community Mental Health Services	93.958		\$ <u>25,524</u>
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			
Passed through City of Birmingham Community Development Block Grants/Entitlement Grants	14.218		1,500
Passed through City of Wixom Community Development Block Grants/Entitlement Grants	14.218		3,639
Passed through City of Farmington Hills Community Development Block Grants/Entitlement Grants	14.218		<u>10,000</u>
			<u>15,139</u>
U.S. DEPARTMENT OF JUSTICE			
Services for Trafficking Victims	16.320		<u>85,420</u>
Passed through Michigan Department of Health & Human Services Antiterrorism Emergency Reserve	16.321	E20252276-00	<u>250,125</u>
Passed through Michigan Department of Health & Human Services Crime Victim Assistance	16.575	E20251840-00	501,101
Crime Victim Assistance	16.575	E20256077-00	460,468
Crime Victim Assistance	16.575	E20252096-00	<u>222,397</u>
			<u>1,183,966</u>
TOTAL FEDERAL AWARDS			<u>\$ 1,560,174</u>

See accompanying notes to schedule of expenditures of federal awards.

COMMON GROUND

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION AND 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.

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Common Ground 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 Common Ground, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Common Ground.

2. INDIRECT COST RATE

Common Ground has elected not to use the 15% de minimis indirect cost rate as allowed under the Uniform Guidance.

3. SUBRECIPIENTS

There were no awards passed through to subrecipients.



INDEPENDENT AUDITOR'S 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*

To the Board of Trustees of
Common Ground

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 Common Ground (a nonprofit 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 7, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Common Ground'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 Common Ground's internal control. Accordingly, we do not express an opinion on the effectiveness of Common Ground'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 organization'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 Common Ground'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.

Boisvenu & Company, P.C.

January 7, 2026



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees of
Common Ground

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Common Ground'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 Common Ground's major federal programs for the year ended September 30, 2025. Common Ground's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Common Ground 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Common Ground 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 Common Ground'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 Common Ground's federal programs.

Auditor's 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 Common Ground'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 Common Ground'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 Common Ground'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 Common Ground'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 Common Ground'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 Auditor's 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.

Boisneau & Company, P.C.

January 7, 2026

COMMON GROUND

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2025

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Common Ground were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported in the auditor's report.
3. No instances of noncompliance material to the financial statements of Common Ground, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the auditor's report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for Common Ground expresses an unmodified opinion on all major federal programs.
6. No audit findings related to the major programs, which would be required to be disclosed in accordance with 2 CFR Section 200.516(a), were reported.
7. The program tested as the major program was: Crime Victim Assistance, Federal Assistance Listing number 16.575.
8. The threshold used for distinguishing between Type A and B programs was \$1,000,000.
9. Common Ground was determined to be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENT AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None