

**DISABILITY RIGHTS MICHIGAN
AND SUPPORTING ORGANIZATION**

**REPORT ON CONSOLIDATED
FINANCIAL STATEMENTS
(with supplementary information)**

YEARS ENDED SEPTEMBER 30, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Disability Rights Michigan and Supporting Organization

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Disability Rights Michigan and Supporting Organization (a nonprofit Organization), which comprise the consolidated statements of financial position as of September 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses, change in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Disability Rights Michigan and Supporting Organization as of September 30, 2023 and 2022, and the changes in their net assets and their 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Disability Rights Michigan and Supporting Organization and to meet our 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Disability Rights Michigan and Supporting Organization's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Disability Rights Michigan and Supporting Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Disability Rights Michigan and Supporting Organization'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 audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information, as identified in the table of contents and 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*, are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as identified in the table of contents and the accompanying schedule of expenditures of federal awards is fairly stated in all material respects, in relation to the consolidated 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 December 21, 2023 on our consideration of Disability Rights Michigan and Supporting Organization'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 Disability Rights Michigan and Supporting Organization'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 Disability Rights Michigan and Supporting Organization's internal control over financial reporting and compliance.

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December 21, 2023

**DISABILITY RIGHTS MICHIGAN
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 546,062	\$ 568,433
Investments	938,000	558,000
Grants and contracts receivable		
Federal	303,223	581,752
State and other	102,799	21,425
Prepaid expenses	<u>72,703</u>	<u>43,024</u>
Total current assets	1,962,787	1,772,634
Property and equipment, net of accumulated depreciation	<u>1,905,149</u>	<u>1,905,031</u>
TOTAL ASSETS	<u><u>\$ 3,867,936</u></u>	<u><u>\$ 3,677,665</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current liabilities		
Accounts payable	\$ 61,143	\$ 110,171
Refundable advances	775,492	602,988
Accrued payroll and related	177,673	196,171
Note payable, current portion	<u>58,268</u>	<u>55,712</u>
Total current liabilities	1,072,576	965,042
Note payable, less current portion	<u>1,346,225</u>	<u>1,404,672</u>
TOTAL LIABILITIES	<u>2,418,801</u>	<u>2,369,714</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Undesignated	910,773	883,873
Designated	<u>538,362</u>	<u>424,078</u>
TOTAL NET ASSETS	<u>1,449,135</u>	<u>1,307,951</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,867,936</u></u>	<u><u>\$ 3,677,665</u></u>

See notes to financial statements.

**DISABILITY RIGHTS MICHIGAN
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES		
Federal grants	\$ 5,868,806	\$ 5,433,744
State grants	676,701	194,400
Other	<u>47,347</u>	<u>56,368</u>
TOTAL REVENUES	<u>6,592,854</u>	<u>5,684,512</u>
EXPENSES		
Program services		
Developmental Disabilities Basic Support and Advocacy Grants	852,236	1,009,064
COVID-19 Expanding P&A's Network Access to COVID-19 Vaccines	-	60,385
COVID-19 Expanding the Public Health Workforce Within Network	38,884	38,013
COVID-19 Vaccination for Underserved Populations	1,124,598	870,405
Protection and Advocacy for Individuals with Mental Illness	831,406	784,302
State Grants for Protection and Advocacy Services	131,409	90,436
Voting Access for Individuals with Disabilities -		
Grants for Protection and Advocacy Systems	139,855	123,957
ACL Assistive Technology State Grants for Protection and Advocacy	154,801	122,963
ACL National Institute on Disability, Independent Living,		
and Rehabilitation Research	20,701	22,462
Protection and Advocacy of Individual Rights	432,281	435,548
Rehabilitation Services Client Assistance Program	283,012	205,065
Social Security State Grants for Work Incentives Assistance		
to Disabled Beneficiaries	190,383	138,468
Social Security State Grants for Work Incentives Assistance		
to Disabled Beneficiaries - Rep Payee Review Project	857,703	738,493
Advocacy for Developmental Disabilities/Mental Illness	163,589	162,246
COVID-19 Response Support Program	433,724	-
Other	<u>122,646</u>	<u>126,426</u>
Total program services	<u>5,777,228</u>	<u>4,928,233</u>
Supporting services		
Management and general	663,345	571,934
Fundraising	<u>11,097</u>	<u>5,138</u>
Total supporting services	<u>674,442</u>	<u>577,072</u>
TOTAL EXPENSES	<u>6,451,670</u>	<u>5,505,305</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	141,184	179,207
NET ASSETS, beginning of year	<u>1,307,951</u>	<u>1,128,744</u>
NET ASSETS, end of year	<u>\$ 1,449,135</u>	<u>\$ 1,307,951</u>

See notes to financial statements.

**DISABILITY RIGHTS MICHIGAN
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

	2023					2022				
	Total Program Services	Supporting Services			Total	Total Program Services	Supporting Services			Total
		Management and General	Fundraising	Total Supporting Services			Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 3,058,413	\$ 322,649	\$ 6,650	\$ 329,299	\$ 3,387,712	\$ 2,907,010	\$ 281,837	\$ 2,701	\$ 284,538	\$ 3,191,548
Fringe benefits	746,449	90,358	2,327	92,685	839,134	709,371	70,587	945	71,532	780,903
Payroll taxes	223,354	23,554	505	24,059	247,413	212,349	19,671	205	19,876	232,225
Contracted services	985,411	140,775	-	140,775	1,126,186	393,879	145,013	-	145,013	538,892
Conferences, meetings, and travel	155,690	4,466	-	4,466	160,156	98,658	10,318	-	10,318	108,976
Occupancy/utilities	97,608	-	-	-	97,608	95,666	18,042	-	18,042	113,708
Repairs and maintenance	47,245	2,060	-	2,060	49,305	35,646	2,688	-	2,688	38,334
Supplies and miscellaneous	141,329	46,867	562	47,429	188,758	123,965	3,474	34	3,508	127,473
Printing	21,487	2,449	173	2,622	24,109	29,352	486	165	651	30,003
Telephone	47,512	6,464	-	6,464	53,976	60,203	174	-	174	60,377
Postage	13,465	942	201	1,143	14,608	19,767	786	196	982	20,749
Publications	25,482	211	-	211	25,693	26,742	145	-	145	26,887
Insurance and organizational expenses	79,897	2,818	679	3,497	83,394	80,032	141	892	1,033	81,065
Computer services	28,100	5,771	-	5,771	33,871	28,511	4,467	-	4,467	32,978
Interest	62,186	6,910	-	6,910	69,096	64,538	7,171	-	7,171	71,709
Depreciation	43,600	7,051	-	7,051	50,651	42,544	6,934	-	6,934	49,478
TOTAL DIRECT EXPENSES	\$ 5,777,228	\$ 663,345	\$ 11,097	\$ 674,442	\$ 6,451,670	\$ 4,928,233	\$ 571,934	\$ 5,138	\$ 577,072	\$ 5,505,305
Total direct expenses	\$ 5,777,228	\$ 663,345	\$ 11,097	\$ 674,442	\$ 6,451,670	\$ 4,928,233	\$ 571,934	\$ 5,138	\$ 577,072	\$ 5,505,305
Indirect costs charged	658,829	(660,072)	1,243	(658,829)	-	571,349	(571,930)	581	(571,349)	-
TOTAL EXPENSES	\$ 6,436,057	\$ 3,273	\$ 12,340	\$ 15,613	\$ 6,451,670	\$ 5,499,582	\$ 4	\$ 5,719	\$ 5,723	\$ 5,505,305

See notes to financial statements.

**DISABILITY RIGHTS MICHIGAN
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
WITH CONSOLIDATING INFORMATION
YEAR ENDED SEPTEMBER 30, 2023**

	Program Services							
	Department of Health and Human Services							
	Developmental Disabilities Basic Support and Advocacy Grants ALN 93.630	COVID-19 Expanding the Public Health Workforce within Network ALN 93.630	COVID-19 Vaccination for Underserved Populations ALN 93.268	Protection and Advocacy for Individuals with Mental Illness ALN 93.138	State Grants for Protection and Advocacy Services ALN 93.873	Voting Access for Individuals with Disabilities - Grants for Protection and Advocacy Systems ALN 93.618	ACL Assistive Technology State Grants for Protection and Advocacy ALN 93.843	ACL National Institute on Disability, Independent Living, and Rehabilitation Research ALN 93.433
Salaries	\$ 517,419	\$ 14,148	\$ 414,214	\$ 569,278	\$ 69,682	\$ 82,385	\$ 105,663	\$ 5,590
Fringe benefits	124,761	3,593	101,911	137,392	16,176	19,799	25,722	1,957
Payroll taxes	37,657	967	29,886	41,003	4,941	6,061	7,752	425
Contracted services	69,557	19,444	366,406	11,812	34,805	11,376	1,584	6,425
Conferences, meetings, and travel	12,032	-	39,404	12,420	679	9,314	869	5,099
Occupancy/utilities	18,948	732	9,620	18,762	1,646	4,002	6,364	-
Repairs and maintenance	973	-	26,830	684	31	823	30	-
Supplies and miscellaneous	4,995	-	114,115	4,768	365	682	2,162	496
Printing	2,351	-	6,298	2,495	271	267	381	538
Telephone	8,947	-	6,456	7,857	726	2,043	1,294	-
Postage	1,835	-	-	1,557	156	208	293	15
Publications	12,359	-	-	3,885	161	15	500	-
Insurance and organizational expenses	20,218	-	9,458	17,723	1,609	2,629	1,882	-
Computer services	20,184	-	-	1,770	161	251	305	156
Interest	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
TOTAL DIRECT EXPENSES	\$ 852,236	\$ 38,884	\$ 1,124,598	\$ 831,406	\$ 131,409	\$ 139,855	\$ 154,801	\$ 20,701
Total direct expenses	\$ 852,236	\$ 38,884	\$ 1,124,598	\$ 831,406	\$ 131,409	\$ 139,855	\$ 154,801	\$ 20,701
Indirect costs charged	99,645	4,354	129,567	97,913	15,389	16,318	18,195	2,299
TOTAL EXPENSES	951,881	43,238	1,254,165	929,319	146,798	156,173	172,996	23,000
Expenses eliminated in consolidation	37,452	-	32,269	42,820	5,914	5,830	7,689	-
Total expenditures before eliminations	\$ 989,333	\$ 43,238	\$ 1,286,434	\$ 972,139	\$ 152,712	\$ 162,003	\$ 180,685	\$ 23,000

See notes to financial statements.

Program Services

Department of Education		Social Security Administration		State of Michigan			Total Program Services
Protection and Advocacy of Individual Rights ALN 84.240A	Rehabilitation Services Client Assistance Program ALN 84.161A	Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries ALN 96.009	Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries - Rep Payee Review Project ALN 96.009	Advocacy for Developmental Disabilities/ Mental Illness	COVID-19 Response Support Program	Other	
\$ 288,036	\$ 190,761	\$ 131,484	\$ 555,113	\$ 114,640	\$ -	\$ -	\$ 3,058,413
69,423	45,092	31,525	133,101	35,997	-	-	746,449
20,897	14,353	9,764	40,935	8,713	-	-	223,354
13,622	2,547	1,659	12,474	-	433,700	-	985,411
2,773	6,635	2,637	63,828	-	-	-	155,690
10,222	7,234	4,846	14,878	354	-	-	97,608
462	73	30	95	354	-	16,860	47,245
2,462	1,169	878	9,237	-	-	-	141,329
1,091	3,909	1,766	2,096	-	24	-	21,487
4,273	2,244	1,527	10,300	1,845	-	-	47,512
842	784	203	5,886	1,686	-	-	13,465
7,488	262	780	32	-	-	-	25,482
9,056	4,639	2,955	9,728	-	-	-	79,897
1,634	3,310	329	-	-	-	-	28,100
-	-	-	-	-	-	62,186	62,186
-	-	-	-	-	-	43,600	43,600
<u>\$ 432,281</u>	<u>\$ 283,012</u>	<u>\$ 190,383</u>	<u>\$ 857,703</u>	<u>\$ 163,589</u>	<u>\$ 433,724</u>	<u>\$ 122,646</u>	<u>\$ 5,777,228</u>
\$ 432,281	\$ 283,012	\$ 190,383	\$ 857,703	\$ 163,589	\$ 433,724	\$ 122,646	\$ 5,777,228
<u>50,781</u>	<u>33,323</u>	<u>22,443</u>	<u>100,860</u>	<u>19,165</u>	<u>48,577</u>	<u>-</u>	<u>658,829</u>
483,062	316,335	212,826	958,563	182,754	482,301	122,646	6,436,057
<u>21,151</u>	<u>14,488</u>	<u>10,019</u>	<u>42,818</u>	<u>11,646</u>	<u>-</u>	<u>-</u>	<u>232,096</u>
<u>\$ 504,213</u>	<u>\$ 330,823</u>	<u>\$ 222,845</u>	<u>\$ 1,001,381</u>	<u>\$ 194,400</u>	<u>\$ 482,301</u>	<u>\$ 122,646</u>	<u>\$ 6,668,153</u>

See notes to financial statements.

**DISABILITY RIGHTS MICHIGAN
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
WITH CONSOLIDATING INFORMATION
YEAR ENDED SEPTEMBER 30, 2022**

	Program Services Department of Health and Human Services							
	Developmental Disabilities Basic Support and Advocacy Grants ALN 93.630	COVID-19 Expanding P&A's Network Access to COVID-19 Vaccines ALN 93.630	COVID-19 Expanding the Public Health Workforce within Network ALN 93.630	COVID-19 Vaccination for Underserved Populations ALN 93.268	Protection and Advocacy for Individuals with Mental Illness ALN 93.138	State Grants for Protection and Advocacy Services ALN 93.873	Voting Access for Individuals with Disabilities - Grants for Protection and Advocacy Systems ALN 93.618	ACL Assistive Technology State Grants for Protection and Advocacy ALN 93.843
Salaries	\$ 588,206	\$ 25,423	\$ 2,458	\$ 513,329	\$ 504,599	\$ 36,025	\$ 71,950	\$ 66,141
Fringe benefits	144,094	9,055	860	125,692	123,429	8,746	17,908	16,205
Payroll taxes	42,037	1,932	187	38,200	36,504	2,551	5,577	4,758
Contracted services	110,145	2,007	34,500	100,100	29,366	35,449	13,428	3,053
Conferences, meetings, and travel	11,893	949	8	21,583	7,736	933	2,318	665
Occupancy/utilities	21,931	163	-	8,549	14,715	1,214	6,564	22,566
Repairs and maintenance	726	1,455	-	12,563	303	6	-	-
Supplies and miscellaneous	22,180	15,032	-	24,253	16,956	1,947	1,439	4,458
Printing	2,857	717	-	16,673	2,324	198	290	477
Telephone	16,141	599	-	5,507	12,105	691	1,939	1,259
Postage	3,157	501	-	-	2,485	137	217	678
Publications	16,074	1,373	-	-	4,127	28	9	37
Insurance and organizational expenses	20,830	1,160	-	3,956	20,753	1,844	1,393	1,873
Computer services	8,793	19	-	-	8,900	667	925	793
Interest	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
TOTAL DIRECT EXPENSES	\$ 1,009,064	\$ 60,385	\$ 38,013	\$ 870,405	\$ 784,302	\$ 90,436	\$ 123,957	\$ 122,963
Total direct expenses	\$ 1,009,064	\$ 60,385	\$ 38,013	\$ 870,405	\$ 784,302	\$ 90,436	\$ 123,957	\$ 122,963
Indirect costs charged	119,425	7,332	4,296	102,521	93,633	10,545	14,677	14,534
TOTAL EXPENSES	1,128,489	67,717	42,309	972,926	877,935	100,981	138,634	137,497
Expenses eliminated in consolidation	47,825	4,499	-	37,429	44,292	2,900	5,933	5,634
Total expenditures before elimination	\$ 1,176,314	\$ 72,216	\$ 42,309	\$ 1,010,355	\$ 922,227	\$ 103,881	\$ 144,567	\$ 143,131

See notes to financial statements.

Program Services								
	Department of Education			Social Security Administration		State of Michigan		
ACL National Institute on Disability, Independent Living, and Rehabilitation Research ALN 93.433	Protection and Advocacy of Individual Rights ALN 84.240A	Rehabilitation Services Client Assistance Program ALN 84.161A	Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries - Rep Payee Review Project ALN 96.009	Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries - Rep Payee Review Project ALN 96.009	Advocacy for Developmental Disabilities/ Mental Illness	Other	Total Program Services	
\$ 5,882	\$ 274,162	\$ 126,689	\$ 87,305	\$ 493,596	\$ 111,245	\$ -	\$ 2,907,010	
2,036	66,742	31,324	21,717	106,763	34,800	-	709,371	
471	19,681	9,397	6,476	36,238	8,340	-	212,349	
9,562	24,241	5,303	2,965	23,760	-	-	393,879	
4,081	3,191	5,416	5,660	34,225	-	-	98,658	
-	10,823	5,405	3,197	109	430	-	95,666	
-	252	4	5	474	710	19,148	35,646	
429	7,542	5,433	3,207	18,047	3,042	-	123,965	
-	1,157	2,380	644	1,635	-	-	29,352	
-	7,065	3,152	1,753	8,672	1,320	-	60,203	
1	1,446	1,931	862	5,993	2,359	-	19,767	
-	4,365	280	427	22	-	-	26,742	
-	10,084	5,980	3,004	8,959	-	196	80,032	
-	4,797	2,371	1,246	-	-	-	28,511	
-	-	-	-	-	-	64,538	64,538	
-	-	-	-	-	-	42,544	42,544	
<u>\$ 22,462</u>	<u>\$ 435,548</u>	<u>\$ 205,065</u>	<u>\$ 138,468</u>	<u>\$ 738,493</u>	<u>\$ 162,246</u>	<u>\$ 126,426</u>	<u>\$ 4,928,233</u>	
\$ 22,462	\$ 435,548	\$ 205,065	\$ 138,468	\$ 738,493	\$ 162,246	\$ 126,426	\$ 4,928,233	
2,538	51,600	24,295	16,468	89,748	19,737	-	571,349	
25,000	487,148	229,360	154,936	828,241	181,983	126,426	5,499,582	
-	21,089	9,955	7,279	55,736	12,417	-	254,988	
<u>\$ 25,000</u>	<u>\$ 508,237</u>	<u>\$ 239,315</u>	<u>\$ 162,215</u>	<u>\$ 883,977</u>	<u>\$ 194,400</u>	<u>\$ 126,426</u>	<u>\$ 5,754,570</u>	

See notes to financial statements.

DISABILITY RIGHTS MICHIGAN
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	Without Donor Restrictions		
	Undesignated	Designated	Total
BALANCE, October 1, 2021	\$ 825,418	\$ 303,326	\$ 1,128,744
Change in net assets	58,455	120,752	179,207
BALANCE, September 30, 2022	883,873	424,078	1,307,951
Change in net assets	26,900	114,284	141,184
BALANCE, September 30, 2023	\$ 910,773	\$ 538,362	\$ 1,449,135

See notes to financial statements.

DISABILITY RIGHTS MICHIGAN
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash flows from operating activities		
Change in net assets	\$ 141,184	\$ 179,207
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities		
Depreciation	50,651	49,478
Grants and contracts receivable	197,155	(153,086)
Prepaid expenses	(19,625)	8,183
Accounts payable	(49,028)	60,422
Refundable advances	172,504	(45,769)
Accrued payroll and related	(28,552)	16,785
Total adjustments	323,105	(63,987)
Net cash provided by operating activities	464,289	115,220
Cash flows from investing activities		
Purchase of property and equipment	(50,769)	(30,200)
Purchase of investments	(380,000)	-
Net cash used by investing activities	(430,769)	(30,200)
Cash flows from financing activities		
Repayments on note payable	(55,891)	(52,879)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(22,371)	32,141
CASH AND CASH EQUIVALENTS		
Beginning of year	568,433	536,292
End of year	\$ 546,062	\$ 568,433
SUPPLEMENTAL DISCLOSURE		
Interest paid	\$ 69,096	\$ 71,709

See notes to financial statements.

**DISABILITY RIGHTS MICHIGAN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Disability Rights Michigan and Supporting Organization's (hereinafter referred to as "Organization") financial statements have been prepared on the accrual basis of accounting, which recognizes income when earned and expenses when incurred.

Principles of Consolidation

The consolidated financial statements include the accounts of Disability Rights Michigan and DRM Supporting Corporation. Disability Rights Michigan is the sole member of the DRM Supporting Corporation. All material intercompany transactions have been eliminated in consolidation.

Cash Equivalents

Cash and cash equivalents consist of cash accounts and money market funds. Cash held by investment managers are considered investment rather than cash equivalent.

Investments

The only investments held by the Organization are certificates of deposit, which are recorded at cost.

Grants and Contracts Receivable

The Organization's grants and contracts are comprised primarily of receivables from federal and nonfederal granting agencies. Management feels no allowance for doubtful accounts is considered necessary based on historical trends. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Equipment

Assets are recorded at cost and are depreciated over their estimated useful lives using the straight-line method. Costs of maintenance and repairs are charged to expense when incurred. Equipment with a cost of \$5,000 or more and a useful life of more than one year are capitalized.

Equipment acquired with federal funds and recorded in the consolidated financial statements remain vested in the federal government. The Organization must maintain an inventory listing of its federally owned property. When the property is no longer needed, the Organization shall report the property to the federal sponsoring agency for further utilization. For both years ended September 30, 2023 and 2022, the net value of the property and equipment acquired with federal funds was \$0.

Refundable Advances

The Organization records grant receipts as unearned revenue until they are expended for the purpose of the grant, at which time they are recognized as revenue.

**DISABILITY RIGHTS MICHIGAN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Grants and contracts revenue result from agreements, typically with government agencies, corporations, or individuals that fund specific activities for the Organization. The grants and contracts are of two primary types: conditional contributions and contracts with customers. An agreement is a conditional contribution if its primary purpose is to enable the Organization to provide a service to, or maintain a facility for, the direct benefit of the people served or the general public rather than to serve the direct needs of the granting or contracting party. In other words, the agreement is a conditional contribution if any benefit to the granting or contracting party is indirect and insubstantial as compared to the public benefit. In contrast, if the grant or contract provides a benefit directly to the granting or contracting party, the agreement is a contract with a customer.

Contributions of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-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. Contributions for which donor imposed conditions and restrictions are met in the same reporting period are reported as support without donor restrictions.

Unconditional contributions expected to be collected within one year are reported at their net realizable value. Unconditional contributions expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

Conditional contributions depend on the occurrence of a specified future and uncertain event to bind the donor and are recognized as assets and revenue when the conditions are substantially met, and the gift becomes unconditional.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets available for use in general operations and not subject to donor or grantor restrictions. Net assets without donor restriction as of September 30 consist of the following:

	2023	2022
Undesignated	\$ 910,773	\$ 883,873
Designated		
Disability Rights of Michigan Support Corp.	536,154	405,639
Equipment fund	2,208	4,415
Educating policymakers	-	14,024
	538,362	424,078
	\$ 1,449,135	\$ 1,307,951

DISABILITY RIGHTS MICHIGAN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Assets (continued)

Net Assets with Donor Restrictions - Net assets subject to donor (or grantor) imposed restrictions. Some donor 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 restrictions are perpetual in nature, where the donor stipulates that resources are maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, or when the stipulated purpose has been accomplished. The Organization had no net assets with donor restrictions as of September 30, 2023.

Functional Allocation of Expenses

The costs of providing program and other activities have been reported in the consolidated statement of activities. The consolidated statements of functional expenses present the natural classification of expenses that are allocated to program or supporting functions of the Organization. Allocated expenses primarily consist of payroll and related, professional fees, and general expenses based on salary and wage analysis and management's estimated use of resources.

NOTE 2 - ORGANIZATION STRUCTURE, RISKS, AND UNCERTAINTIES

Disability Rights Michigan is organized as a nonprofit corporation under provisions of Section 501(c)(3) of the Internal Revenue Code, and as such is not subject to income taxes. The Organization's primary purpose is to provide services for the protection and advocacy of the rights of persons with disabilities in the state of Michigan in the form of legal services, systemic advocacy, technical assistance, information and referral.

DRM Supporting Corporation is organized as a nonprofit corporation under provisions of Section 501(c)(3) of the Internal Revenue Code, and as such is not subject to income taxes. The purpose of this entity was to take title of the property that houses the Organization's advocacy programs and administrative offices. Disability Rights Michigan is the sole member.

Program expenses relate to the aforementioned mission and are described as follows:

Developmental Disabilities Basic Support and Advocacy Grants Program focuses on advocacy to promote individuals with developmental disabilities to become independent, productive, integrated and included in their communities. Funding is used in the development of a plan for a comprehensive and coordinated system of services and other activities to enhance the lives of individuals with developmental disabilities and their families to achieve their maximum potential, and to support a system which protects the legal and human rights of individuals with developmental disabilities.

COVID-19 Expanding P&A's Network Access to COVID-19 Vaccines works to disseminate credible information about COVID-19 vaccines and help direct those with questions to additional sources of information. Funding is used to identify people who may need help getting a COVID-19 vaccination, help with scheduling the vaccination, providing transportation to COVID-19 vaccination sites, and providing technical assistance to local health departments on vaccine accessibility.

DISABILITY RIGHTS MICHIGAN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - ORGANIZATION STRUCTURE, RISKS, AND UNCERTAINTIES (continued)

COVID-19 Expanding the Public Health Workforce Within Network works to disseminate credible information about COVID-19 vaccines and help direct those with questions to additional source of information. Funding is used to cover the costs of staff to conduct crucial public health activities with the intent to increase the public health workforce.

COVID-19 Vaccination for Underserved Populations is aimed to improve understanding of populations disproportionately affected by COVID-19 and barriers to vaccination access and uptake.

Protection and Advocacy for Individuals with Mental Illness Program is dedicated to protecting and advocating for the rights of individuals with mental illness, investigating incidents of abuse and neglect of individuals with mental illness, and investigating incidents of serious injury and deaths in public and private care and treatment facilities and non-medical community-based facilities for children and youth.

State Grants for Protection and Advocacy Services Program works to establish systems to provide services to individuals with traumatic brain injury which may include the provision of information, referrals, and advocacy of individuals or families, legal representation, and specific assistance in self-advocacy.

Voting Access for Individuals with Disabilities - Grants for Protection and Advocacy Systems Program focuses on ensuring full participation in the electoral process for individuals with disabilities by providing education, training, and assistance to individuals with disabilities that will promote their participation in the electoral process. The program also participates in advocacy and education efforts related to program implementation efforts in their state, as well as the training and education of election officials, poll workers, and election volunteers regarding the rights of the voters with disabilities and best practices in working with individuals with disabilities.

ACL Assistive Technology State Grants for Protection and Advocacy Program provides protection and advocacy services for the purpose of assisting in the acquisition, utilization, or maintenance of assistive technology or assistive technology services for individuals with disabilities.

ACL National Institute on Disability, Independent Living, and Rehabilitation Research Program works to support and coordinate research and its utilization in order to improve the lives of people of all ages with physical and mental disabilities.

Protection and Advocacy of Individual Rights Program works to provide support systems for protection and advocacy for the rights of individuals with disabilities who are ineligible for advocacy services from the other protection and advocacy programs or whose problems fall outside the scope of services available from the Client Assistance Program.

Rehabilitation Services Client Assistance Program provides assistance in informing and advising clients and client applicants of available benefits under the Rehabilitation Act, to assist and advocate for clients and client applicants in their relationships with projects, programs and services provided under this Act, including assistance and advocacy in pursuing legal, administrative and other appropriate remedies, and to provide information on available services under the Act and Title I of the Americans with Disabilities Act to any individual with disabilities in the state.

DISABILITY RIGHTS MICHIGAN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - ORGANIZATION STRUCTURE, RISKS, AND UNCERTAINTIES (continued)

Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries Program works to comply with the Ticket-to-Work and Work Incentives Improvement Act legislation passed in December 1999, permitting the SSA to make payments to each state to the protection and advocacy system established for the purpose of providing services to beneficiaries with disabilities who want to work.

Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries - Rep Payee Review Project Program performs site reviews for individuals receiving Social Security benefits in order to mitigate the risk of fraud, financial misuse, neglect or abuse to the intended beneficiaries by the representative payees.

Advocacy for Developmental Disabilities/Mental Illness Program supplements protection and advocacy services for persons with developmental disabilities and persons labeled as mentally ill.

COVID-19 Response Support Program is used to identify people who may need help getting a COVID-19 vaccination, help with scheduling the vaccination, providing transportation to COVID-19 vaccine sites, and providing technical assistance to local health departments on vaccine accessibility. Coordinate with other grant partners and communities to plan, advertise, and conduct local vaccine events and arrange home based vaccinations.

The Organization is required to disclose concentrations of credit risk regardless of the degree of such risk. Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist primarily of cash and cash equivalents and receivables. The Organization's cash and cash equivalents is deposited with FDIC insured financial institutions. Although such cash balances may exceed federally insured limits at certain times during the year, and at year-end, they are, in the opinion of management, subject to minimal risk. Credit risk with respect to receivables is limited because the majority of the accounts are due from governmental units.

The process of preparing consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the consolidated financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

As of September 30, 2023 and 2022, the Organization received approximately 62% and 61% of its revenues from the U.S. Department of Health and Human Services, approximately 15% and 16% of its revenues from the U.S. Department of Education, and approximately 19% and 16% of its revenues from the U.S. Social Security Administration, respectively. The U.S. Department of Health and Human Services also constitutes approximately 58%, and 54% of the Organization's receivable balance as of September 30, 2023 and 2022, respectively.

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 three to four years.

The Organization evaluates events and transactions that occur after year end for potential recognition or disclosure in the consolidated financial statements. As of December 21, 2023, which is the date the consolidated financial statements were available to be issued, there were no subsequent events which required recognition or disclosure.

DISABILITY RIGHTS MICHIGAN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - LIQUIDITY AND AVAILABILITY

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program service activities as well as the conduct of services undertaken to support those activities to be general expenditures.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the consolidated statement of financial position, comprise the following at September 30, 2023 and 2022.

	2023	2022
Cash and cash equivalents	\$ 546,062	\$ 568,433
Investments	938,000	558,000
Grants and contracts receivable	406,022	603,177
Total financial assets	1,890,084	1,729,610
Less contractual or donor- imposed restrictions		
Refundable advances	(775,492)	(602,988)
Less reserves and board designations	(538,362)	(424,078)
Financial assets available to meet cash needs for general expenditures within one year	\$ 576,230	\$ 702,544

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

NOTE 4 - GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable at September 30 consisted of the following:

	2023	2022
U.S. Department of Human Services	\$ 176,990	\$ 386,550
U.S. Department of Education	37,146	74,892
Social Security Administration	89,087	120,310
Total federal	303,223	581,752
Michigan Department of Community Health	15,336	13,231
Michigan Public Health Institute	87,294	-
Other	169	8,194
Total state and other	102,799	21,425
Total receivables	\$ 406,022	\$ 603,177

DISABILITY RIGHTS MICHIGAN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 - PROPERTY AND EQUIPMENT

The cost of property and equipment at September 30 consists of the following:

	Years of Useful Life	<u>2023</u>	<u>2022</u>
Land		\$ 165,600	\$ 165,600
Buildings and improvements	20 - 40	1,906,169	1,855,400
Equipment	3 - 7	<u>179,026</u>	<u>179,026</u>
		2,250,795	2,200,026
Less accumulated depreciation		<u>(345,646)</u>	<u>(294,995)</u>
		<u>\$ 1,905,149</u>	<u>\$ 1,905,031</u>
Depreciation expense		<u>\$ 50,651</u>	<u>\$ 49,478</u>

NOTE 6 - REFUNDABLE ADVANCES

Refundable advances at September 30 consisted of the following:

	<u>2023</u>	<u>2022</u>
Developmental Disabilities Basic Support and Advocacy Grants	\$ 394,070	\$ 263,284
Protection and Advocacy for Individuals with Mental Illness	157,970	154,490
Client Assistance Program	34,178	34,178
Assistive Technology	68,223	68,223
ACL Assistive Technology	81,105	81,105
COVID-19 and Influenza Vaccine Uptake Initiative for Older Adults and People with Disabilities	38,238	-
Skadden Fellowship Foundation	<u>1,708</u>	<u>1,708</u>
Total	<u>\$ 775,492</u>	<u>\$ 602,988</u>

NOTE 7 - NOTE PAYABLE

On December 18, 2019, the Organization acquired the property in Lansing with financing, payable to the bank in the amount of \$1,600,000 with an interest rate of 4.75%. Principal and interest payments of \$10,400 are due monthly through November 2029 with the remaining unpaid principal due in December 2029.

DISABILITY RIGHTS MICHIGAN
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 - NOTE PAYABLE (continued)

Future maturities of the note payable are as follows:

<u>Year Ending</u> <u>September 30,</u>		
2024	\$	58,268
2025		61,324
2026		64,343
2027		67,512
2028		70,684
Thereafter		<u>1,082,362</u>
		<u><u>\$ 1,404,493</u></u>

NOTE 8 - LEASES

Operating Leases

The Organization rents office space in Lansing and Marquette, Michigan. During 2020, the Lansing office space was purchased by DRM Supporting Corporation. See Note 7. The Marquette office is an operating lease agreement that expires in May 2025. The Occupancy expense, including utilities, for the years ended September 30, 2023 and 2022 was \$8,254 and \$8,118, respectively. Remaining operating lease commitment is as follows:

<u>Year Ending</u> <u>September 30,</u>		
2024	\$	8,524
2025		<u>5,683</u>
		<u><u>\$ 14,207</u></u>

NOTE 9 - RETIREMENT PLAN

The Organization has adopted a defined contribution retirement plan for its employees. It is authorized under Internal Revenue Code Section 403(b). Contributions are applied to individual annuity contracts.

All employees meeting certain age and length of service requirements are eligible to participate in the plan. The employees enter into salary reduction agreements, which determine the amount of their contribution to the plan. The Organization also contributes to the plan an amount equal to 5% of the gross wages of the participants for individuals with up to 20 years of service and 7% for individuals with more than 21 years of service.

Employer contributions to the 403(b) plan were approximately \$147,000 and \$115,000 for the years ended September 30, 2023 and 2022, respectively.

SUPPLEMENTARY INFORMATION

DISABILITY RIGHTS MICHIGAN
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2023

	Disability Rights Michigan	DRM Supporting Corporation	Eliminations	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 364,647	\$ 181,415	\$ -	\$ 546,062
Investments	838,000	100,000	-	938,000
Grants and contracts receivable				
Federal	303,223	-	-	303,223
State and other	102,799	-	-	102,799
Due from affiliate	243,709	-	(243,709)	-
Prepaid expenses	72,703	-	-	72,703
	<u>1,925,081</u>	<u>281,415</u>	<u>(243,709)</u>	<u>1,962,787</u>
Total current assets	1,925,081	281,415	(243,709)	1,962,787
Property and equipment, net of accumulated depreciation	<u>2,208</u>	<u>1,902,941</u>	<u>-</u>	<u>1,905,149</u>
TOTAL ASSETS	<u><u>\$ 1,927,289</u></u>	<u><u>\$ 2,184,356</u></u>	<u><u>\$ (243,709)</u></u>	<u><u>\$ 3,867,936</u></u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Current liabilities				
Accounts payable	\$ 61,143	\$ -	\$ -	\$ 61,143
Refundable advances	775,492	-	-	775,492
Due to affiliate	-	243,709	(243,709)	-
Accrued payroll and related	177,673	-	-	177,673
Note payable, current portion	-	58,268	-	58,268
	<u>1,014,308</u>	<u>301,977</u>	<u>(243,709)</u>	<u>1,072,576</u>
Total current liabilities	1,014,308	301,977	(243,709)	1,072,576
Note payable, less current portion	<u>-</u>	<u>1,346,225</u>	<u>-</u>	<u>1,346,225</u>
TOTAL LIABILITIES	<u><u>1,014,308</u></u>	<u><u>1,648,202</u></u>	<u><u>(243,709)</u></u>	<u><u>2,418,801</u></u>
NET ASSETS WITHOUT DONOR RESTRICTIONS				
Undesignated	910,773	-	-	910,773
Designated	<u>2,208</u>	<u>536,154</u>	<u>-</u>	<u>538,362</u>
TOTAL NET ASSETS	<u><u>912,981</u></u>	<u><u>536,154</u></u>	<u><u>-</u></u>	<u><u>1,449,135</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,927,289</u></u>	<u><u>\$ 2,184,356</u></u>	<u><u>\$ (243,709)</u></u>	<u><u>\$ 3,867,936</u></u>

**DISABILITY RIGHTS MICHIGAN
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023**

	Disability Rights Michigan	DRM Supporting Corporation	Eliminations	Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS				
REVENUES				
Federal grants	\$ 5,868,806	\$ -	\$ -	\$ 5,868,806
State grants	676,701	-	-	676,701
Other	47,347	266,787	(266,787)	47,347
TOTAL REVENUES	6,592,854	266,787	(266,787)	6,592,854
EXPENSES				
Program services				
Developmental Disabilities Basic Support and Advocacy Grants	889,688	-	(37,452)	852,236
Protection and Advocacy for Individuals with Mental Illness	874,226	-	(42,820)	831,406
State Grants for Protection and Advocacy Services	137,323	-	(5,914)	131,409
Voting Access for Individuals with Disabilities - Grants for Protection and Advocacy Systems	145,685	-	(5,830)	139,855
ACL Assistive Technology State Grants for Protection and Advocacy	162,490	-	(7,689)	154,801
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	20,701	-	-	20,701
Protection and Advocacy of Individual Rights	453,432	-	(21,151)	432,281
Rehabilitation Services Client Assistance Program	297,500	-	(14,488)	283,012
Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries	200,402	-	(10,019)	190,383
Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries - Rep Payee Review Project	900,521	-	(42,818)	857,703
Advocacy for Developmental Disabilities/Mental Illness	175,235	-	(11,646)	163,589
Expanding the Public Health Workforce Within Network	38,884	-	-	38,884
COVID-19 Response Support Program	433,724	-	-	433,724
COVID-19 Vaccination for Underserved Populations	1,156,867	-	(32,269)	1,124,598
Other	-	122,646	-	122,646
Total program services	5,886,678	122,646	(232,096)	5,777,228
Supporting services				
Management and general	684,410	13,626	(34,691)	663,345
Fundraising	11,097	-	-	11,097
Total supporting services	695,507	13,626	(34,691)	674,442
TOTAL EXPENSES	6,582,185	136,272	(266,787)	6,451,670
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	10,669	130,515	-	141,184
NET ASSETS, beginning of year	902,312	405,639	-	1,307,951
NET ASSETS, end of year	\$ 912,981	\$ 536,154	\$ -	\$ 1,449,135

**DISABILITY RIGHTS MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2023**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Award or Pass-Through Grantor's Number	Approved Grant Award Amount	Accrued (Deferred) Revenue at 10/1/2022	Prior Cumulative Expenditures (Memo Only)	Current Year Cash Receipts	Current Year Expenditures	Accrued (Deferred) Revenue at 9/30/2023
U.S. Department of Health and Human Services								
Direct Program								
Basic Support and Advocacy Grants								
Developmental Disabilities Basic Support and Advocacy Grants	93.630	2201MIPADD 2301MIPADD Program Income	\$ 998,929 1,148,516	\$ 18,151 - (263,284)	\$ 998,929 - -	\$ 18,151 955,946 130,786	\$ - 989,333 -	\$ - 33,387 (394,070)
Total Basic Support and Advocacy Grants				(245,133)	998,929	1,104,883	989,333	(360,683)
COVID-19 Expanding the Public Health Workforce Within Network	93.630	2201MIPAPH-00	114,000	42,309	42,309	76,238	43,238	9,309
Total ALN 93.630				(202,824)	1,041,238	1,181,121	1,032,571	(351,374)
COVID-19 Vaccination for Underserved Populations	93.268	NH231P922635 NH231P922635	1,010,355 1,462,164	211,207 -	1,010,355 -	211,207 1,212,385	- 1,286,434	- 74,049
				211,207	1,010,355	1,423,592	1,286,434	74,049
Protection and Advocacy for Individuals with Mental Illness	93.138	X98SM085934 X98SM087402 Program Income	922,075 942,630	31,604 -	568,302 -	385,377 611,543 3,480	353,773 618,366 -	- 6,823 (157,970)
				(122,886)	568,302	1,000,400	972,139	(151,147)
State Grants for Protection and Advocacy Services	93.873	2101MIPATB 2201MIPATB 2301MIPATB	94,288 100,073 126,971	9,558 5,521 -	94,228 5,521 -	9,618 100,073 40,942	60 94,552 58,100	- - 17,158
				15,079	99,749	150,633	152,712	17,158
Voting Access for Individuals with Disabilities - Grants for Protection and Advocacy Systems	93.618	2101MIPAVA 2201MIPAVA	138,198 146,463	9,581 -	68,046 -	79,733 86,453	70,152 91,851	- 5,398
				9,581	68,046	166,186	162,003	5,398
ACL Assistive Technology State Grants for Protection and Advocacy	93.843	2101MIPAAT 2201MIPAAT 2301MIPAAT Program Income	118,846 125,337 135,652	6,211 27,407 -	118,846 27,407 -	6,211 125,337 74,889	- 97,930 82,755	- - 7,866
				(81,105)	-	-	-	(81,105)
				(47,487)	146,253	206,437	180,685	(73,239)
COVID-19 and Influenza Vaccine Uptake Initiative for Older Adults and People with Disabilities	93.048	90HDRC0007-01-00	76,474	-	-	38,238	-	(38,238)
				(137,330)	2,933,943	4,166,607	3,786,544	(517,393)

The accompanying notes are an integral part of this schedule.

**DISABILITY RIGHTS MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2023**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Award or Pass-Through Grantor's Number	Approved Grant Award Amount	Accrued (Deferred) Revenue at 10/1/2022	Prior Cumulative Expenditures (Memo Only)	Current Year Cash Receipts	Current Year Expenditures	Accrued (Deferred) Revenue at 9/30/2023
U.S. Department of Health and Human Services (continued)								
Passed through University of Illinois - Chicago								
ACL National Institute on Disability, Independent Living, and Rehabilitation Research								
	93.433	90DPAD0012-01-00 90DPAD0012-01-00	\$ 25,000 23,000	\$ 25,000 -	\$ 25,000 -	\$ 25,000 -	\$ - 23,000	\$ - 23,000
				<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>23,000</u>	<u>23,000</u>
Total U.S. Department of Health and Human Services				<u>(112,330)</u>	<u>2,958,943</u>	<u>4,191,607</u>	<u>3,809,544</u>	<u>(494,393)</u>
U.S. Department of Education								
Direct Program								
Program of Protection and Advocacy of Individual Rights								
	84.240A	H240A220024 H240A230023	480,078 505,942	61,173 -	155,947 -	385,304 157,047	324,131 180,082	- 23,035
				<u>61,173</u>	<u>155,947</u>	<u>542,351</u>	<u>504,213</u>	<u>23,035</u>
Rehabilitation Services Client Assistance Program								
	84.161A	H161A220011 H161A230010	329,727 381,027	13,719 -	16,541 -	326,905 3,526	313,186 17,637	- 14,111
				<u>13,719</u>	<u>16,541</u>	<u>330,431</u>	<u>330,823</u>	<u>14,111</u>
Passed through the State of Michigan								
Client Assistance Program								
	84.161A			<u>(34,178)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,178)</u>
Total ALN 84.161A				<u>(20,459)</u>	<u>16,541</u>	<u>330,431</u>	<u>330,823</u>	<u>(20,067)</u>
Assistive Technology								
	84.224A			<u>(68,223)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(68,223)</u>
Total U.S. Department of Education				<u>(27,509)</u>	<u>172,488</u>	<u>872,782</u>	<u>835,036</u>	<u>(65,255)</u>
Social Security Administration								
Direct Program								
Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries								
	96.009	PAB19020358-01-04 PAB19020358-01-05 SPS18000027-05-00 SPS23000060-01-00	235,247 243,420 907,892 952,720	23,127 - 97,184 -	90,898 - 368,602 -	167,476 67,258 636,473 384,243	144,349 78,496 539,289 462,092	- 11,238 - 77,849
Total Social Security Administration				<u>120,311</u>	<u>459,500</u>	<u>1,255,450</u>	<u>1,224,226</u>	<u>89,087</u>
Total Federal Expenditures				<u>\$ (19,528)</u>	<u>\$ 3,590,931</u>	<u>\$ 6,319,839</u>	<u>\$ 5,868,806</u>	<u>\$ (470,561)</u>

The accompanying notes are an integral part of this schedule.

**DISABILITY RIGHTS MICHIGAN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Disability Rights Michigan and Supporting Organization under programs of the federal government for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 Disability Rights Michigan and Supporting Organization it is not intended to and does not present the financial position, changes in net assets or cash flows of Disability Rights Michigan and Supporting Organization.

NOTE 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 principals contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass through entity identifying numbers are presented where available. Disability Rights Michigan and Supporting Organization has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. The Organization does not pass-through federal funds.



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**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 Directors of
Disability Rights Michigan and Supporting Organization

We have audited, 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, the consolidated financial statements of Disability Rights Michigan (a nonprofit corporation) and Supporting Organization, which comprise the consolidated statement of financial position as of September 30, 2023, and the related consolidated statements of activities, functional expenses, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 21, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Disability Rights Michigan and Supporting Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Disability Rights Michigan and Supporting Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Disability Rights Michigan and Supporting Organization'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 entity's consolidated 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 the 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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Disability Rights Michigan and Supporting Organization's consolidated 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 determination of consolidated financial statement amounts. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maney Costerman PC

December 21, 2023



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**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 Directors of
Disability Rights Michigan and Supporting Organization

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Disability Rights Michigan and Supporting Organization'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 Disability Rights Michigan and Supporting Organization's major federal programs for the year ended September 30, 2023. Disability Rights Michigan and Supporting Organization'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, Disability Rights Michigan and Supporting Organization 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, 2023.

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 Disability Rights Michigan and Supporting Organization 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 Disability Rights Michigan and Supporting Organization'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 Disability Rights Michigan and Supporting Organization'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 Disability Rights Michigan and Supporting Organization'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 Disability Rights Michigan and Supporting Organization'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 Disability Rights Michigan and Supporting Organization'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 Disability Rights Michigan and Supporting Organization'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 Disability Rights Michigan and Supporting Organization'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.

Maney Costeiran PC

December 21, 2023

**DISABILITY RIGHTS MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued based on financial statements prepared in accordance with generally accepted accounting principles.

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings that are required to be reported in accordance with Title 2 CFR Section 200.516(a)? Yes X No

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
96.009	Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries
93.268	COVID-19 Vaccination for Underserved Populations

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee? X Yes No

Section II - Financial Statement Findings

None noted.

Section III - Federal Award Findings and Questioned Costs

None noted.

**DISABILITY RIGHTS MICHIGAN
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2023**

There were no audit findings in the prior year.