

SENIOR RESOURCES OF WEST MICHIGAN

FINANCIAL STATEMENTS

For the years ended
September 30, 2025 and 2024



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INDEPENDENT AUDITOR'S REPORT

January 22, 2026

To the Board of Directors
Senior Resources of West Michigan
Muskegon, Michigan

Report on Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Senior Resources of West Michigan, (a non-profit organization) which comprise the statements of financial position as of September 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 Senior Resources of West Michigan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America 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 Senior Resources of West Michigan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Senior Resources of West Michigan's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 24-25 is presented for the purpose 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report January 22, 2026, on our consideration of Senior Resources of West Michigan'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 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 Senior Resources of West Michigan's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Hungerford". The script is cursive and fluid, with the first letter 'H' being particularly large and stylized.

Certified Public Accountants
Muskegon, Michigan

FINANCIAL STATEMENTS

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STATEMENTS OF FINANCIAL POSITION

SENIOR RESOURCES OF WEST MICHIGAN

September 30, 2025 and 2024

ASSETS

Assets

	2025	2024
Cash and cash equivalents	\$ 4,636,598	\$ 2,591,536
Investments - operating	1,579,182	1,803,317
Investments - joint ventures	4,903,847	4,682,574
Accounts receivable	3,154,585	1,406,790
Prepaid expenses	13,330	21,045
Total Assets	\$ 14,287,542	\$ 10,505,262

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 2,418,853	\$ 1,979,906
Accrued compensation	764,176	322,081
Accrued expenses	1,234,790	44,224
Contract liabilities	1,216,987	1,284,699
Refundable advances	15,816	141,211
Total Liabilities	5,650,622	3,772,121
Net assets without donor restrictions	8,636,920	6,733,141
Total Liabilities and Net Assets	\$ 14,287,542	\$ 10,505,262

STATEMENTS OF ACTIVITIES

SENIOR RESOURCES OF WEST MICHIGAN

For the years ended September 30, 2025 and 2024

	2025	2024
	Without Donor Restrictions	Without Donor Restrictions
Support and Revenues		
MI Choice Program	\$ 28,520,060	\$ 25,391,096
Aging Programs	4,528,834	4,584,670
Muskegon County Senior Millage (MCSM) Program	2,071,255	1,811,308
Veteran Directed Care (VDC) Program	499,755	373,665
Other programs and services	835,602	713,513
Contributions of cash and other financial assets	7,548	17,061
Contributions of nonfinancial assets	129,830	164,881
Local match	420,525	268,035
Advertising revenue	-	66,983
Realized and unrealized gain on investments	6,417	47,276
Equity in earnings in joint ventures	218,273	156,155
Interest and dividend income	123,781	113,224
Total Support and Revenues	37,361,880	33,707,867
Expenses		
Program services:		
MDHHS MI Choice Program	25,511,152	24,144,879
Aging Programs	4,235,837	4,321,259
Muskegon County Senior Millage Program	1,860,286	1,600,664
Other programs and services	2,351,975	2,530,519
Total Program Services	33,959,250	32,597,321
Support services:		
Management and general	1,498,851	1,729,969
Total Expenses	35,458,101	34,327,290
Change in Net Assets	1,903,779	(619,423)
Net Assets, beginning of year, as restated	6,733,141	7,352,564
Net Assets, end of year	\$ 8,636,920	\$ 6,733,141

STATEMENTS OF FUNCTIONAL EXPENSES

SENIOR RESOURCES OF WEST MICHIGAN For the year ended September 30, 2025

	Program Services				Supporting	Total
MDHHS	Other					
MI Choice Program	Aging Programs	MCSM Program	Programs and Services	Total	Management and General	2025
Purchased services	\$ 20,887,805	\$ 3,189,418	\$ 1,736,195	\$ 487,091	\$ -	\$ 26,300,509
Staff compensation	3,182,246	652,688	79,236	1,247,090	962,783	6,124,043
Staff fringe benefits and payroll taxes	895,476	201,582	36,984	380,664	295,931	1,810,637
Travel, training, and conferences	75,275	29,509	11	27,209	10,264	142,268
Contract and professional services	279,019	19,486	1,676	78,916	157,289	536,386
Occupancy	38,081	7,089	2,233	11,150	17,285	75,838
Communications	77,405	16,853	2,274	54,821	23,214	174,567
Supplies	14,165	2,751	223	4,034	2,867	24,040
Equipment	26,683	3,941	898	14,070	10,780	56,372
Insurance	14,994	3,504	556	15,457	3,882	38,393
Outreach and special events	-	23,260	-	678	459	24,397
In-kind services and supplies	6,023	85,756	-	27,969	10,082	129,830
Miscellaneous	13,980	-	-	2,826	4,015	20,821
Total Expenses	\$ 25,511,152	\$ 4,235,837	\$ 1,860,286	\$ 2,351,975	\$ 1,498,851	\$ 35,458,101

Continued on next page.

STATEMENTS OF FUNCTIONAL EXPENSES (Continued)

SENIOR RESOURCES OF WEST MICHIGAN

For the year ended September 30, 2024

	Program Services					Supporting		Total
	MDHHS MI Choice Program	Aging Programs	MCSM Program	Other Programs and Services	Total	Management and General	2024	
Purchased services	\$ 20,229,455	\$ 3,192,901	\$ 1,504,385	\$ 470,901	\$ 25,397,642	\$ -	\$ 25,397,642	
Staff compensation	2,554,069	624,214	58,522	1,303,487	4,540,292	1,070,716	5,611,008	
Staff fringe benefits and payroll taxes	798,409	240,984	30,081	467,698	1,537,172	393,523	1,930,695	
Travel, training, and conferences	74,112	30,722	134	27,949	132,917	11,024	143,941	
Contract and professional services	263,748	41,926	1,570	97,832	405,076	170,249	575,325	
Occupancy	56,237	28,226	3,273	17,903	105,639	29,359	134,998	
Communications	73,990	25,442	2,375	81,837	183,644	30,068	213,712	
Supplies	11,070	4,993	109	5,177	21,349	3,867	25,216	
Equipment (including depreciation)	22,310	527	-	5,377	28,214	-	28,214	
Insurance	14,540	5,014	490	16,647	36,691	5,188	41,879	
Outreach and special events	2,951	5,937	(275)	18,132	26,745	(803)	25,942	
In-kind services and supplies	23,518	120,358	-	8,963	152,839	12,042	164,881	
Miscellaneous	20,470	15	-	8,616	29,101	4,736	33,837	
Total Expenses	\$ 24,144,879	\$ 4,321,259	\$ 1,600,664	\$ 2,530,519	\$ 32,597,321	\$ 1,729,969	\$ 34,327,290	

See accompanying notes to financial statements.

STATEMENTS OF CASH FLOWS

SENIOR RESOURCES OF WEST MICHIGAN

For the years ended September 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	\$ 1,903,779	\$ (619,423)
Adjustments to reconcile the change in net assets to net cash provided by (used for) operating activities:		
Depreciation	-	22,323
Realized and unrealized gain on investments	(6,417)	(47,276)
Equity in earnings in joint ventures	(218,273)	(156,155)
Change in operating assets and liabilities:		
Accounts receivable	(1,747,795)	652,232
Prepaid expenses	7,715	871
Accounts payable	438,947	(169,636)
Accrued compensation	442,095	(292,412)
Accrued expenses	1,190,566	12,586
Contract liabilities	(67,712)	459,439
Refundable advances	(125,395)	(79,543)
Net Cash Provided by (Used for) Operating Activities	1,817,510	(216,994)
Cash Flows from Investing Activities		
Proceeds from sale of investments	300,000	1,204,266
Purchase of investments	(69,448)	(75,431)
Return of capital	-	150,296
Capital investment in joint ventures	(3,000)	(5,000)
Net Cash Provided by Investing Activities	227,552	1,274,131
Net Increase in Cash	2,045,062	1,057,137
Cash and Cash Equivalents, beginning of year	2,591,536	1,534,399
Cash and Cash Equivalents, end of year	\$ 4,636,598	\$ 2,591,536

NOTES TO FINANCIAL STATEMENTS

SENIOR RESOURCES OF WEST MICHIGAN

For the years ended September 30, 2025 and 2024

Note A – Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

Senior Resources of West Michigan (the “Organization”) is a Michigan nonprofit organization whose mission is to provide a comprehensive and coordinated system of services designated to promote the health and independence of older persons and their families in the Michigan counties of Muskegon, Oceana, and Ottawa. Below is a summary of the program services administered by the Organization:

MDHHS MI Choice Program - MI Choice Program furnishes an array of home and community-based services to assist aged and disabled Medicaid beneficiaries who live in the community and who would otherwise be institutionalized in a nursing facility.

Aging Programs - These programs include MDHHS Aging, Community Living, and Supports (ALCS) Bureau and Michigan Medicare/Medicaid Assistance Program (MMAP), which provide seniors with a variety of collaborative services, such as access, assistive devices, health promotion, in-home care, legal, medication management, transportation, and ombudsman services. They also provide meals and social activities to older individuals in congregate settings in the community and deliver meals and make daily visits to homebound older adults in the community.

Muskegon County Senior Millage Program - The Muskegon County Senior Millage (MCSM), formed under State of Michigan Public Act 39 of 1976, serves eligible Muskegon County residents by providing a variety of in-home and community services. The Organization also receives a fee for serving as the grants administrator.

Other Programs and Services - Other programs and services include services for older individuals, including information and assistance, primary care at home services, housing referrals, access, care management, and respite.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting, recording revenue when earned rather than when received, and recording expenses when incurred rather than when paid.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

NOTES TO FINANCIAL STATEMENTS

SENIOR RESOURCES OF WEST MICHIGAN
For the years ended September 30, 2025 and 2024

Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits in banks and cash on hand. The Organization maintains cash balances in a checking account. The checking account is insured by the Federal Deposit Insurance Corporation up to \$250,000 per financial institution. From time to time during the year, the Organization may have cash in a bank checking or savings account in excess of the federally insured limit.

Investments

Investments held by the Organization consist of cash, mutual funds, certificates of deposit and corporate bonds. Such investments are carried at fair value, based on quoted market prices. Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at fair value in the statements of financial position, unrealized gains and losses are included as changes in net assets in the statements of activities.

Investments – Joint Ventures

Investments in joint ventures are measured using the equity method, with changes in investment value recognized as unrealized earnings in each reporting period. Dividends and distributions received from joint ventures are recognized as income when declared and received.

Fair Value Measurements

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants in the market in which the reporting entity transacts such sales or transfers based on the assumptions market participants would use when pricing an asset or liability. Assumptions are developed based on prioritizing information within a fair value hierarchy that gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3). See Note J for detailed information on the determination of fair market value.

Property and Equipment

Property and equipment are stated at cost, or in the case of donated property, at estimated fair value at the date of donation. Additions and improvements are generally capitalized if the amount exceeds \$5,000; expenditures for routine maintenance are charged to expense when incurred. Management annually reviews these assets to determine whether carrying values have been impaired. Depreciation is computed principally on the straight-line method over the following useful lives of the assets:

Leasehold improvements	10 - 39 years
Office equipment	5 - 7 years

NOTES TO FINANCIAL STATEMENTS

SENIOR RESOURCES OF WEST MICHIGAN

For the years ended September 30, 2025 and 2024

Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)

Net Assets

The Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

Net assets with donor restrictions – net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where the donor stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Revenue Recognition

Contract revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for services provided. Performance obligations are determined based on the nature of the services provided by the Organization. The Organization’s health management program and long-term care management services represent a bundle of services that are not capable of being distinct and, as such, are treated as a single performance obligation satisfied over time as services are rendered. The Organization determines the transaction price based on contractually agreed-upon amounts or rates.

Michigan Department of Health and Human Services (MDHHS) MI Choice Program

The Organization has been awarded a contract for long-term care of Medicaid-eligible enrollees to provide assessment services and administrative supervision over daily care to qualified recipients in three West Michigan counties (Muskegon, Ottawa, and Oceana) who wish to continue living in their homes or other appropriate residential setting. The Organization receives payments through a capitation amount per individual based on age and acuity of need. Accounts receivable as of September 30, 2025 and 2024 were approximately \$2,308,600 and \$655,000, respectively.

NOTES TO FINANCIAL STATEMENTS

SENIOR RESOURCES OF WEST MICHIGAN

For the years ended September 30, 2025 and 2024

Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Laws and regulations governing the Medicaid programs are complex and subject to interpretation. Management believes it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoings. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation. Noncompliance with such laws and regulations may result in significant regulatory action, including fines, penalties, and exclusion from the Medicaid programs. In addition, the contracts the Organization has with commercial payors also provide for retroactive audit and review of claims.

Variable consideration may also exist in the form of settlements with third-party payors as a result of retroactive adjustments due to audits, reviews, or investigations. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and the Organization's historical settlement activity. The Organization has not applied a constraint to the transaction price for settlement estimates, as the Organization has determined that it is not probable that a significant reversal in the amount of the cumulative revenue recognized would not occur in the future. The Organization makes an initial and ongoing evaluation of any billed amounts not expected to be collected from third parties for services rendered to represent bad debt expense, in which the Organization has none.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Organization has elected to apply the optional exemption provided in Accounting Standards Codification (ASC) 606-10-50-14 and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

Grant Revenue

The Organization has been awarded multiple conditional grants from the Michigan Health Endowment Fund, Michigan Department of Health and Human Services, and other organizations to support the many different programs. The revenue from conditional grants is recorded as barriers are overcome (i.e., expenses are incurred). A grant receivable is recorded when the Organization has not yet received funds for a portion of the grant where conditions have been met. The Organization has not provided allowances in the financial statements for potential adjustments since such amounts, if any, are not expected to be significant. Funds received but unspent are recorded as contract liabilities until barriers are overcome. The balance of refundable advances at September 30, 2025 and 2024 were \$15,816 and \$141,211, respectively.

NOTES TO FINANCIAL STATEMENTS

SENIOR RESOURCES OF WEST MICHIGAN

For the years ended September 30, 2025 and 2024

Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)

Contributions of Nonfinancial Assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair market value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Donated services that create or enhance non-financial assets, or those that require specialized skills, and are provided by individuals possessing those skills that would be typically purchased if not provided by donation, are recorded at fair value in the period received.

See Note M for detailed information on the donated goods and services received.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

The Organization evaluates tax positions taken on its federal Exempt Organization Business Income Tax Returns in accordance with accounting principles generally accepted in the United States of America, which require that tax positions taken be more-likely-than-not to be sustained. Management believes that the Organization has no significant unrecognized tax benefits under that criteria. Penalties and interest, if any, assessed by income taxing authorities are included in operating expenses. The Organization's federal Exempt Organization Business Income Tax Returns are generally subject to examination by taxing authorities for three years after they were filed.

Functional Expense Allocation

The costs of providing the program and support services have been reported on a functional basis in the statements of activities and statements of functional expense. Most expenses can be directly attributed to the program or support services. Certain expenses are attributed to more than one functional category. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Depending on the specific nature of the expenditure, the basis of allocation may include time and effort, full-time equivalents, headcount, and square footage. Staff compensation and fringe benefits are allocated based upon time and effort. Although the methods of allocation used are considered reasonable and consistently applied, other methods could be used that would produce a different amount.

NOTES TO FINANCIAL STATEMENTS

SENIOR RESOURCES OF WEST MICHIGAN

For the years ended September 30, 2025 and 2024

Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)

Reclassifications

Certain amounts in prior year financial statements have been reclassified to conform to the presentation in the current year financial statements.

Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through January 22, 2026, which is the date the financial statements were available to be issued.

Note B – Liquidity and Availability

The Organization regularly monitors liquidity required to meet its operating needs, 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 programmatic activities and supporting services to be general expenditures.

As of September 30, 2025 and 2024, the following financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures:

	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 4,636,598	\$ 2,591,536
Investments - at fair value	1,579,182	1,803,317
Investments - joint ventures	4,903,847	4,682,574
Accounts receivable	3,154,585	1,406,790
Total financial assets	14,274,212	10,484,217
Less amounts unavailable for general expenditures within one year:		
Contractual limitations:		
Investments - joint ventures	4,903,847	4,682,574
Refundable advances	15,816	141,211
Financial assets available to meet general expenditures over the next twelve months	\$ 9,354,549	\$ 5,660,432

NOTES TO FINANCIAL STATEMENTS

SENIOR RESOURCES OF WEST MICHIGAN

For the years ended September 30, 2025 and 2024

Note C – Accounts Receivable and Contract Balances

The following is a summary of the beginning and ending balances of accounts receivable and contract liabilities:

	2025		2024	
	Accounts Receivable	Contract Liabilities	Accounts Receivable	Contract Liabilities
Balance at October 1	\$ 1,406,790	\$ 1,284,699	\$ 2,059,022	\$ 825,260
Balance at September 30	3,154,585	1,216,987	1,406,790	1,284,699

Note D – Investments

The following are the values of investment securities as of September 30, 2025 and 2024:

	2025	2024
Current investments:		
Cash and money market funds	\$ 229,863	\$ 90,442
Mutual funds	1,349,319	1,349,938
Certificates of deposit	-	190,220
Corporate bonds	-	172,717
Total	\$ 1,579,182	\$ 1,803,317

Investment income consists of the following amounts for the years ended September 30, 2025 and 2024:

	2025	2024
Realized and unrealized gain on investments	\$ 6,417	\$ 47,276
Interest and dividend income	123,781	113,224
Total	\$ 130,198	\$ 160,500

Note E – Investment in Joint Ventures

On October 28, 2015, Senior Resources of West Michigan acquired a 21.3% noncontrolling interest in LifeCircles, Inc., a Michigan nonprofit corporation. The Organization made initial capital contributions of \$500,000 upon formation. As of September 30, 2025 and 2024, the investment was recorded at \$4,895,847 and \$4,677,574, respectively, and is recorded using the equity method. During the year ended September 30, 2024, LifeCircles, Inc. made distributions totaling \$150,296. There were no distributions for the year ended September 30, 2025.

NOTES TO FINANCIAL STATEMENTS

SENIOR RESOURCES OF WEST MICHIGAN

For the years ended September 30, 2025 and 2024

Note E – Investment in Joint Ventures (Continued)

On May 19, 2023, Senior Resources of West Michigan entered into a joint venture agreement with Area Agency on Aging of West Michigan and Region IV Area Agency on Aging to form AAA Health Solutions, LLC, organized under the laws of Michigan. The purpose of this joint venture is to provide additional services to the community. As of September 30, 2025, the Organization had invested \$5,000 in AAA Health Solutions, LLC, representing a 33.4% ownership interest. The investment is recorded using the equity method. The Organization did not record its share of net income or losses for the year ended September 30, 2025 in the statement of activities, as the amounts were deemed immaterial to the financial statements.

On October 1, 2024, the Organization entered into a joint venture agreement with Area Agency on Aging of West Michigan to form Innovative Health at Home, a 501c(3) nonprofit, also organized under the laws of Michigan. As of September 30, 2025, the Organization had invested \$3,000 in Innovative Health at Home, representing a 50% ownership interest. The investment is recorded using the equity method. The Organization did not record its share of net income or losses for the year ended September 30, 2025, as the amounts were deemed immaterial to the financial statements.

Note F – Property and Equipment

Property and equipment at September 30, 2025 and 2024 consists of:

	2025	2024
Leasehold improvements	\$ 582,301	\$ 441,771
Office equipment	63,358	203,888
Total property and equipment	645,659	645,659
Less: accumulated depreciation	645,659	645,659
Property and equipment, net	\$ -	\$ -

Depreciation expense for the year ended September 30, 2024 was \$22,323. There was no depreciation expense for the year ended September 30, 2025.

Note G – Line of Credit

For the year ended September 30, 2024, the Organization had available borrowings of approximately \$500,000 under a line of credit agreement with a bank. The agreement expired on February 26, 2025 and was not renewed. The line of credit was collateralized by investments held by the Organization, limited to \$715,000. Interest was payable monthly at an effective rate of 8.50%. The Organization did not have outstanding borrowings on the line of credit as of September 30, 2024.

NOTES TO FINANCIAL STATEMENTS

SENIOR RESOURCES OF WEST MICHIGAN

For the years ended September 30, 2025 and 2024

Note H – 403(b) Plan

The Organization maintains a retirement plan covering substantially all employees. Employees are immediately eligible to participate in an elective tax-deferred annuity program (403(b)). Upon hire, the Organization will match up to 5% of employees' compensation for eligible employees. With respect to employer contributions, employees are fully vested three years after their date of hire. Expense related to the plan for the years ended September 30, 2025 and 2024 were approximately \$268,000 and \$236,000, respectively.

Note I – Contingencies

The Organization participates in grant programs that are subject to program compliance audits by the grantor or its representatives. Such audits of these programs may be performed at some future date. The amount, if any, of expenses that may be disallowed by the granting agencies cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.

Note J – Fair Value Measurements

Accounting principles generally accepted in the United States of America establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Quoted prices in markets that are not considered active or financial instruments for which significant inputs include quoted prices for similar assets or liabilities, interest rates, credit risk, etc.

Level 3 – Significant unobservable inputs, which may include the Organization's own assumption in determining fair value.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at September 30, 2025 and 2024.

Certificates of deposit and corporate bonds: Valued based upon prices received from pricing services, using models which maximize observable inputs such as trades in exact or similar securities in active markets where available. Absent such trade data, models may incorporate other inputs such as yield curves constructed from yields of similar securities, broker quotes, and other observable market data.

NOTES TO FINANCIAL STATEMENTS

SENIOR RESOURCES OF WEST MICHIGAN

For the years ended September 30, 2025 and 2024

Note J – Fair Value Measurements (Continued)

Mutual funds, cash, and money market funds: are valued at the quoted net asset values of the shares held by the Organization as of the last business day of the fiscal year. These investments are classified as Level 1 within the fair value hierarchy, as the quoted prices are available in active markets.

Assets measured at fair value on a recurring basis comprise the following for the years ended September 30, 2025 and 2024:

Description	September 30, 2025	Fair Value		
		Level 1	Level 2	Level 3
Investments:				
Cash and money markets	\$ 229,863	\$ 229,863	\$ -	\$ -
Mutual funds	1,349,319	1,349,319	-	-
Total investments	<u>\$ 1,579,182</u>	<u>\$ 1,579,182</u>	<u>\$ -</u>	<u>\$ -</u>

Description	September 30, 2024	Fair Value		
		Level 1	Level 2	Level 3
Investments:				
Cash and money markets	\$ 90,442	\$ 90,442	\$ -	\$ -
Mutual funds	1,349,938	1,349,938	-	-
Certificates of deposit	190,220	-	190,220	-
Corporate bonds	172,717	-	172,717	-
Total investments	<u>\$ 1,803,317</u>	<u>\$ 1,440,380</u>	<u>\$ 362,937</u>	<u>\$ -</u>

Note K – Beneficial Interest in Assets Held by Foundations

Certain funds contributed by outside donors for the benefit of the Organization are held and managed by community foundations. These foundations maintain variance power, which allows their boards of trustees to modify donor-imposed restrictions if such restrictions become unnecessary, impracticable, or inconsistent with the charitable needs of the community. Because the foundations retain this authority, the related assets are not reported as assets of the Organization. The fair value of these funds was \$33,772 at September 30, 2024. At September 30, 2025, no balance remained in these funds.

NOTES TO FINANCIAL STATEMENTS

SENIOR RESOURCES OF WEST MICHIGAN

For the years ended September 30, 2025 and 2024

Note L – Concentration of Funding Sources

The Organization's concentrated funding sources for years ended September 30, 2025 and 2024 are as follows:

	2025	2024
MDHHS MI Choice Program	78%	78%
MDHHS Aging, Community Living, and Support Bureau	12%	14%
Muskegon County Senior Millage	6%	5%
Other sources	4%	3%

Accounts receivable from these governmental agencies as of September 30, 2025 and 2024 are as follows:

	2025	2024
MDHHS MI Choice Program	73%	46%
MDHHS Aging, Community Living, and Supports Bureau	8%	35%
Muskegon County Senior Millage	11%	9%
Other sources	8%	10%

Note M – Contributions of Nonfinancial Assets

Contributions of nonfinancial assets recognized by the Organization for the years ended September 30, 2025 and 2024 are as follows:

	2025 Revenue Recognized	2024 Revenue Recognized	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Board / Finance / P&P Meetings	\$ 5,221	\$ 5,804	Services	None	Volunteer hours rate
Interns	34,500	37,490	Services	None	Volunteer hours rate
MMAV Volunteers	39,956	48,168	Services	None	Volunteer hours rate
Senior Perspective Writers	-	8,964	Services	None	Volunteer hours rate
Durable Medical Equipment Donations	50,153	64,455	Supplies	None	Fair market value of consumables
Total	<u>\$ 129,830</u>	<u>\$ 164,881</u>			

NOTES TO FINANCIAL STATEMENTS

SENIOR RESOURCES OF WEST MICHIGAN

For the years ended September 30, 2025 and 2024

Note N - Prior Period Adjustment

Beginning net assets as of October 1, 2023 were restated for a prior period adjustment related to the Organization's investment in a joint venture accounted for under the equity method, which approximates fair value. During the year ended September 30, 2025, the Organization determined that its investment in LifeCircles, Inc. had been understated in previous years due to a misunderstanding of the investment structure. The Organization's share of LifeCircles' earnings increases its ownership interest proportionally, which was not previously reflected. As a result, the investments in joint ventures increased by \$4,521,419 as of October 1, 2023. In addition, the equity in earnings from this investment of \$156,155 was recorded in the statement of activities for the year ended September 30, 2024.

SUPPLEMENTARY INFORMATION

THE AGING, COMMUNITY LIVING, AND SUPPORTS BUREAU – GRANT SERVICES EXPENSE DETAIL

SENIOR RESOURCES OF WEST MICHIGAN
For the year ended September 30, 2025

Service Category	Federal Funded Services (incl. Title IIIB - VIIA)										Total Federal
	IIIB	IIIC1	IIIC2	IIID	IIIE	VIIIEAP	VIIA	NSIP	TCM		
Adult Day Care	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Care Management	-	-	-	-	-	-	-	-	263,494	-	263,494
Caregiver Assess / Support	-	-	-	-	25,168	-	-	-	-	-	25,168
Caregiver Education	-	-	-	-	7,235	-	-	-	-	-	7,235
Case Coord / Support	182,437	-	-	-	-	-	-	-	-	-	182,437
Congregate Meals	-	413,462	-	-	-	-	-	26,869	-	-	440,331
Disease Prev / Health	-	-	-	34,406	-	-	-	-	-	-	34,406
Elder Abuse Prev	-	-	-	-	-	6,814	-	-	-	-	6,814
Home Delivered Meals	-	-	605,289	-	-	-	-	65,883	-	-	671,172
Homemaker	-	-	-	-	-	-	-	-	-	-	-
Information & Assistance [1]	74,500	-	-	-	-	-	-	-	-	-	74,500
Kinship Care	-	-	-	-	12,899	-	-	-	-	-	12,899
Legal Assistance	29,500	-	-	-	-	-	-	-	-	-	29,500
Medication Management	-	-	-	-	-	-	-	-	-	-	-
Ombudsman	4,500	-	-	-	-	-	15,151	-	-	-	19,651
Personal Emergency Resp	-	-	-	-	-	-	-	-	-	-	-
Personal Care	-	-	-	-	-	-	-	-	-	-	-
Program Development	85,000	-	-	-	-	-	-	-	-	-	85,000
Respite Care	-	-	-	-	51,052	-	-	-	-	-	51,052
Transportation	75,608	-	-	-	-	-	-	-	-	-	75,608
Training	-	-	-	-	8,746	-	-	-	-	-	8,746
TOTAL	\$ 451,545	\$ 413,462	\$ 605,289	\$ 34,406	\$ 105,100	\$ 6,814	\$ 15,151	\$ 92,752	\$ 263,494	\$ 1,988,013	

[1] Information & Assistance includes Friendly Reassurance.

This schedule excludes certain administrative expenses and certain pass-through income that is reported on the SEFA.

THE AGING, COMMUNITY LIVING, AND SUPPORTS BUREAU – GRANT SERVICES EXPENSE DETAIL (Continued)

SENIOR RESOURCES OF WEST MICHIGAN
For the year ended September 30, 2025

Service Category	State Funded Services												Total	Other Funds		GRAND TOTAL
	Age Net Srv	HD Meals	Cong Meals	Access	In-Home	Alt Care	Care Mgmt	NHOmbuds	MSOmbuds	Respite	Caregiver	TSR / Merit		State	Prog Inc	
Adult Day Care	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 126,654	\$ 126,654	\$ -	\$ 15,071	\$ 141,725
Care Management	-	-	-	-	-	-	107,957	-	-	-	-	-	107,957	-	11,991	383,442
Caregiver Assess / Support	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,797	27,965
Caregiver Education	-	-	-	-	-	-	-	-	-	-	-	-	-	45	805	8,085
Case Coord / Support	48,417	-	-	31,048	-	-	107,956	-	-	-	-	-	187,421	-	45,483	415,341
Congregate Meals	-	-	10,035	-	-	-	-	-	-	-	-	-	10,035	-	47,057	497,423
Disease Prev / Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,824	38,230
Elder Abuse Prev	-	-	-	-	-	-	-	-	-	-	-	-	-	-	758	7,572
Home Delivered Meals	-	497,774	-	-	-	-	-	-	-	-	-	-	497,774	160	124,155	1,293,261
Homemaker	-	-	-	-	272,020	-	-	-	-	-	-	-	272,020	1,629	30,225	303,874
Information & Assistance [1]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,379	82,879
Kinship Care	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,434	14,333
Legal Assistance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,279	32,779
Medication Management	-	-	-	-	61,259	-	-	-	-	-	-	-	61,259	367	6,808	68,434
Ombudsman	-	-	-	-	-	-	-	21,545	55,000	-	-	-	76,545	-	9,007	105,203
Personal Emergency Resp	-	-	-	-	64,686	-	-	-	-	-	-	-	64,686	387	7,187	72,260
Personal Care	-	-	-	-	305,614	121,376	-	-	-	-	-	-	426,990	2,786	47,445	477,221
Program Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,444	94,444
Respite Care	-	-	-	-	3,774	-	-	-	-	106,776	16,984	-	127,534	1,243	19,844	199,673
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,402	84,010
Training	-	-	-	-	-	-	-	-	-	-	-	-	-	54	972	9,772
TOTAL	\$ 48,417	\$ 497,774	\$ 10,035	\$ 31,048	\$ 707,353	\$ 121,376	\$ 215,913	\$ 21,545	\$ 55,000	\$ 106,776	\$ 16,984	\$ 126,654	\$ 1,958,875	\$ 6,671	\$ 404,367	\$ 4,357,926

[1] Information & Assistance includes Friendly Reassurance.

*Amounts reported follow the ACLS Bureau reporting requirements.