EightCAP, Inc.

Year Ended September 30, 2025

Financial Statements and Single Audit Act Compliance

Rehmann

EIGHTCAP, INC.

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INDEPENDENT AUDITORS' REPORT

March 19, 2026

Board of Directors
EightCAP, Inc.
Orleans, Michigan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ***EightCAP, Inc.*** (the "Organization"), which comprise the statement of financial position as of September 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements (the "financial statements").

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") 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 Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

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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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Independent Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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 the 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 financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated March 19, 2026, on our consideration of the 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 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 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 the Organization's internal control over financial reporting and compliance.

Rehmann Robson LLC

EIGHTCAP, INC.

Statement of Financial Position

September 30, 2025

ASSETS	
Current assets	
Cash	$ 614,171
Grants receivable	1,324,972
Contributions receivable	26,000
Prepaid expenses	127,969
Total current assets	2,093,112
Net, property and equipment	530,965
Net operating lease right-of-use assets	112,874
Total assets	**$ 2,736,951**
LIABILITIES AND NET ASSETS	
Current liabilities	
Accounts payable	$ 427,656
Accrued payroll and other liabilities	652,845
Accrued interest payable	422
Refundable advances on conditional contributions	247,274
Current portion of operating lease obligations	76,106
Current portion of long-term debt	30,174
Total current liabilities	1,434,477
Operating lease obligations, net of current portion	36,768
Long-term debt, net of current portion	136,593
Total liabilities	**1,607,838**
Without donor restrictions	818,615
With donor restrictions	310,498
Total net assets	**1,129,113**
Total liabilities and net assets	**$ 2,736,951**

The accompanying notes are an integral part of these financial statements.

EIGHTCAP, INC.

Statement of Activities
Year Ended September 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Grant revenue	$ 17,412,708	$ 100,000	$ 17,512,708
Contributions	1,546	244,654	246,200
Contributions of nonfinancial assets	1,082,561	-	1,082,561
Other income	120,441	-	120,441
Net assets released from restrictions	255,477	(255,477)	-
Total support and revenue	**18,872,733**	**89,177**	**18,961,910**
Expenses			
Program services:			
Child education activities	11,700,899	-	11,700,899
Weatherization and energy assistance	2,063,112	-	2,063,112
Food programs	497,655	-	497,655
Senior services	623,650	-	623,650
Community services	2,737,663	-	2,737,663
Total program services	17,622,979	-	17,622,979
Supporting services:			
Management and general	1,441,224	-	1,441,224
Fundraising	1,802	-	1,802
Total supporting services	1,443,026	-	1,443,026
Total expenses	**19,066,005**	**-**	**19,066,005**
Change in net assets	**(193,272)**	**89,177**	**(104,095)**
Net assets, beginning of year	1,011,887	221,321	1,233,208
Net assets, end of year	**$ 818,615**	**$ 310,498**	**$ 1,129,113**

The accompanying notes are an integral part of these financial statements.

EIGHTCAP, INC.

Statement of Functional Expenses
Year Ended September 30, 2025

	Program Services						Supporting Services			
	Child Education Activities	Weatherization and Energy Assistance	Food Programs	Senior Services	Community Services	Total	Management and General	Fundraising	Total	Total Expenses
Expenses										
Salaries and wages	$ 6,603,684	$ 415,439	$ 28,276	$ 160,937	$ 874,059	$ 8,082,395	$ 913,763	$ -	$ 913,763	$ 8,996,158
Employee benefits and payroll taxes	2,435,422	130,495	8,821	59,555	273,716	2,908,009	230,789	-	230,789	3,138,798
Client assistance	-	86,599	-	-	1,207,777	1,294,376	-	-	-	1,294,376
Occupancy	960,205	9,059	-	9,479	90,717	1,069,460	30,561	-	30,561	1,100,021
Contracts and professional services	714,020	1,295,518	-	3,710	155,344	2,168,592	130,305	-	130,305	2,298,897
Supplies	297,184	24,684	460,558	4,024	32,852	819,302	13,839	-	13,839	833,141
Depreciation	135,347	29,672	-	-	14,287	179,306	46,944	-	46,944	226,250
Communication	98,923	5,827	-	6,890	13,324	124,964	9,271	-	9,271	134,235
Equipment	11,847	886	-	3,312	2,674	18,719	2,161	-	2,161	20,880
Insurance	128,930	23,096	-	2,157	13,740	167,923	7,889	-	7,889	175,812
Travel	143,716	28,099	-	11,993	30,501	214,309	23,761	-	23,761	238,070
Vehicle repair and maintenance	86,216	7,757	-	-	3,583	97,556	11	-	11	97,567
Staff development	61,463	5,203	-	1,101	6,708	74,475	8,457	-	8,457	82,932
Volunteer services	-	-	-	357,427	-	357,427	-	-	-	357,427
Other	23,942	778	-	3,065	18,381	46,166	23,473	1,802	25,275	71,441
Total expenses	**$ 11,700,899**	**$ 2,063,112**	**$ 497,655**	**$ 623,650**	**$ 2,737,663**	**$ 17,622,979**	**$ 1,441,224**	**$ 1,802**	**$ 1,443,026**	**$ 19,066,005**

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

For the Year Ended September 30, 2025

Cash flows from operating activities	
Change in net assets	$ (104,095)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	226,250
Non-cash lease expense	80,372
Changes in operating assets and liabilities:	
Grants receivable	(219,558)
Contributions receivable	(1,000)
Prepaid expenses	100,621
Accounts payable	235,100
Accrued payroll and other liabilities	(4,046)
Accrued interest payable	(70)
Refundable advances on conditional contributions	(14,219)
Operating lease obligations	(80,372)
Net change in cash from operating activities	**218,983**
Cash flows from investing activities	
Purchases of property and equipment	(14,929)
Cash flows from financing activities	
Borrowings on line of credit	100,000
Repayments on line of credit	(100,000)
Principal payments on long-term debt	(27,937)
Net change in cash from financing activities	**(27,937)**
Net change in cash	**176,117**
Cash, beginning of year	438,054
Cash, end of year	**$ 614,171**

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

EightCAP, Inc. (the "Organization") was organized as a Michigan not-for-profit corporation in 1966. The Organization was formed to provide medical, dental, nutritional, and educational services to preschool-aged children; weatherize dwellings of low-income and underprivileged individuals; provide emergency assistance in the form of items such as fuel and clothing; and to provide other services to low-income individuals and families. The Organization mainly serves the counties of Gratiot, Ionia, Isabella, and Montcalm, Michigan, and is primarily supported through federal and state grants.

The Organization provides the following programs:

Child education activities
Includes the Head Start and Great Start Readiness Programs, which provide medical, dental, nutrition and educational services to preschool aged children.

Weatherization and energy assistance
Provides free home energy conservation services to low-income homeowners and renters to reduce energy use, lower utility bills and ensure a safe living environment.

Food programs
Provides preschool aged children in head start and great start programs with food and also provides food to low income or no income households in the counties served by the Organization.

Senior services
The Foster Grand Parent program provides children, who are at-risk or have unique needs with the mentor-ship of older adults. The Senior Companion Program aims to keep seniors independent longer and provide respite to family caregivers through volunteers who provide assistance and friendship to seniors.

Community services
Provides low-income or no-income households with emergency food, utilities, shelter, transportation, medical services, and clothing.

Concentration of Funding

The Organization receives a substantial amount of its funding from the U.S. Department of Health and Human Services (USDHHS) for Head Start programs. For the year ended September 30, 2025, funding received from USDHHS for Head Start programs represented 64% of total grant revenue and 48% of total grants receivable. Loss of this funding would result in a substantial reduction in program services.

Basis of Presentation

Net assets, support and revenues are classified based on the existence or absence of donor-imposed or certain 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-imposed or certain grantor-imposed restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization does not have any net assets with donor-imposed restrictions that are perpetual in nature as of September 30, 2025.

Use of Estimates

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

Cash

Cash consists of demand deposits and cash on hand. At times the Organization's bank balance exceeds FDIC limits. Management believes the Organization is not exposed to any significant interest rate or other financial risk on these deposits.

Grants Receivable

Grants receivable consist of amounts due from various federal, state and local agencies related to expenses incurred in reimbursement-based programs that were not billed and received by the Organization until after year-end. Management considers all grant receivables to be fully collectible.

Contributions Receivable

Contributions receivable represents amounts due from donations. Allowance for uncollectible contributions receivables are determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions receivable are written off when deemed uncollectible. No allowance on contributions are considered necessary for the year ended September 30, 2025.

Prepaid Expenses

Payments to vendors for services that will benefit periods beyond the Organization's fiscal year end are recorded as prepaid expenses.

Property and Equipment and Depreciation

Property and equipment are recorded at cost or, if donated, at the fair value on the date of the gift. The Organization capitalizes equipment purchased with a unit cost of $5,000 or greater and an estimated useful life of more than one year. Major improvements and renewals are capitalized while ordinary maintenance and repairs are expensed. Management reviews the carrying values of property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. There were no indicators of asset impairment for the year ended September 30, 2025. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which generally range from 5 to 40 years.

Property and equipment purchased with grant funds are owned by the Organization while used in the program for which they were purchased or in future authorized programs. However, the various funding sources have a reversionary interest in the property and equipment purchased with grant funds. Its disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. The net book value of property and equipment purchased with such grant funds at September 30, 2025 was $285,492.

Revenue Recognition

Contributions

Certain contributions are recognized as support when the donor makes a promise to give that is, in substance, unconditional. Conditional contributions include a measurable performance or other barrier and a right of return or right of release and are not recognized until the conditions on which they depend have been met. Contributions of nonfinancial assets are recognized at their estimated fair value.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. When donor restrictions are met in the same reporting period as the donations are received, the donations are reported as without donor restrictions.

Grants

Grant awards are either recorded as contributions or exchange transactions based on criteria contained in the grant award:

Grant awards that are conditional contributions **–** Grants that qualify as support are recognized in the accounting period when the related allowable expenses or asset acquisition costs are incurred. Contribution of grants from government agencies consist mainly of cost reimbursable federal, state and other contracts and grants, which are conditional upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Total conditional grants determined to be recognized as revenue were $17,512,708 for the year ended September 30, 2025. As of September 30, 2025, contributions of grants from governments of approximately $4,080,000 have not yet been recognized because qualifying expenses have not yet been incurred. Refundable advances related to these conditional grants totaled $247,274 at September 30, 2025. Amounts questioned as a result of audits, if any, may result in refunds to governmental agencies. Management does not believe any liability for reimbursements, which may arise as the result of these audits, would be material.

Grant awards that are exchange transactions **–** Exchange transactions are recognized in accordance with the terms of the award and ASU No. 2014-09, *Revenue from Contracts with Customers (Accounting Standards Codification Topic 606).* The revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. There were no grant awards that were considered exchange transactions during the year ended September 30, 2025.

Contributions of Nonfinancial Assets

The Organization records contributions of nonfinancial assets for professional services in the statement of activities. GAAP require that contributions of services be recorded where they (a) create or enhance a non-financial asset, or (b) require specialized skills, are provided by an individual possessing those skills and would typically need to be purchased if not provided by donation. The requirements of GAAP are different than the contributions of nonfinancial assets recognition requirements of several of the Organization's grant awards. As described in Note 7, the Organization received contributions of non-professional volunteers during the year that do not meet the GAAP recognition requirements.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents expenses by function and nature classification. Expenses directly attributable to a specific program of the Organization are reported as expenses in those functional areas. Program salaries and wages are directly attributable to specific programs. Natural expenses attributable to more than one functional expense category are allocated using reasonable cost allocation techniques. Administrative salaries, wages and fringe benefits are allocated based on a weighted average of the number of employees and accounts payable transactions per program. Other costs are charged based on other factors, such as the number of employees in a program, square footage occupied by a program, and number of miles driven for a program.

Related Parties

One of the Organization's board members is an executive at the financial institution that holds the Organization's bank accounts and note payable.

Income Taxes

The Organization is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from similar state and local taxes. Accordingly, no provisions have been made for income taxes in these financial statements. Although the Organization was granted an income tax exemption by the Internal Revenue Service, such exemption does not apply to "unrelated business taxable income". The Organization has been classified as not a private foundation.

The Organization analyzes its filing positions in the federal and state jurisdictions where it is required to file income tax returns, as well as all open tax years in these jurisdictions. The Organization treats interest and penalties attributable to income taxes and any charges for such, to the extent they arise, as a component of its management and general expenses.

The Organization has evaluated its income tax filing positions for fiscal 2022 through 2025, the years which remain subject to examination as of September 30, 2025. The Organization concluded that there are no significant uncertain tax positions requiring recognition in the financial statements. The Organization does not expect the total amount of unrecognized tax benefits ("UTB") (e.g. tax deductions, exclusions, or credits claimed or expected to be claimed) to significantly change in the next twelve months. The Organization does not have any amounts accrued for interest and penalties related to UTBs at September 30, 2025 and is not aware of any claims for such amounts by federal or state income tax authorities.

Leases

The Organization determines if an arrangement is a lease at inception and considers classification of leases as operating or finance. Operating leases are included in net operating lease right-of-use ("ROU") assets, current portion of operating lease obligations, and operating lease obligations, net of current portion on the Organization's statement of financial position.

Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. As most of the Organization's leases do not provide an implicit rate, the Organization uses the risk free rate based on the information available at the commencement date in determining the present value of future payments. The operating lease ROU asset also includes any lease payments made and initial direct costs incurred and excludes lease incentives. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

The Organization has elected to exclude short-term leases from the recognition requirements of Accounting Standards Codification ("ASC") 842, *Leases.* A lease is short-term if, at the commencement date, it has a term of less than or equal to one year. Lease expense related to short-term leases is recognized on a straight-line basis over the lease term.

Management reviews these ROU assets for impairment whenever events or circumstances indicate that their carrying values may not be fully recoverable.

Subsequent Events

In preparing these financial statements, management has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to the most recent statement of financial position presented herein, through the date these financial statements were available to be issued.

2. LIQUIDITY AND AVAILABILITY

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows as of September 30, 2025:

Cash	$ 614,171
Grants receivable	1,324,972
Contributions receivable	26,000
Subtotal	1,965,143
Less amounts unavailable for general expenditures within one year due to:	
Net assets with donor restrictions - specified purpose	(310,498)
Financial assets available to meet cash needs for general expenditures within one year	**$ 1,654,645**

The Organization manages its liquidity required to meet its operating needs while also trying to maximize the investment of its available funds. In addition, the Organization has a line of credit available to draw upon for operating expenditures.

Notes to Financial Statements

3. GRANTS RECEIVABLE

Grants receivable consist of amounts due from funding sources as follows as of September 30, 2025:

U.S. Department of Health and Human Services	$ 638,095
U.S. Department of Energy	230,111
Michigan Department of Health and Human Services	203,668
Mid Michigan Community Action Agency	89,512
Michigan Department of Education	80,945
Michigan State Housing Development Authority	43,001
U.S. Department of Treasury	21,670
U.S. Department of Housing and Urban Development	17,970
Total grants receivable	**$ 1,324,972**

4. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of September 30, 2025:

Land	$ 119,631
Buildings and improvements	1,801,840
Vehicles	2,301,825
Equipment	573,306
Total property and equipment	4,796,602
Less accumulated depreciation	(4,265,637)
Property and equipment, net	**$ 530,965**

Depreciation expense for the year ended September 30, 2025 totaled $226,250.

5. LONG-TERM DEBT

Long-term debt consists of the following obligation at September 30, 2025:

Note payable, collateralized by office building, due in monthly installments of $2,114 to $3,434 through July 17, 2030. Interest is fixed at 7% per annum through July 17, 2028, after which the interest rate will change to the Wall Street Journal Prime Rate for the remainder of the loan.	$ 166,767
Less current portion	(30,174)
Long-term debt, net of current portion	**$ 136,593**

Interest expensed and paid during the year ended September 30, 2025 was $15,979.

Scheduled principal maturities of long-term debt for each of the years succeeding September 30, 2025 and thereafter are summarized as follows:

Year	Amount
2026	$ 30,174
2027	32,356
2028	34,629
2029	37,063
2030	32,545
Total	**$ 166,767**

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at September 30, 2025:

Purpose restrictions	
Court Appointed Special Advocate (CASA)	$ 128,418
Consumers Energy Household Goods	95,256
Greenville Optimist Camp for People with Disabilities	45,951
Montcalm Human Services Coalition	11,053
Head Start	8,769
Veterans Support Fund	5,001
Threshold Academy Scholarship Fund	4,506
Montcalm County Food Drive	3,619
Foster Grandparent / Senior Companion	3,056
Walk for Warmth	2,819
Community Service Discretionary Fund Montcalm	1,050
Isabella County Ministerial Association	1,000
Total net assets with donor restrictions	**$ 310,498**

Net assets were released for the following purposes during the year ended September 30, 2025:

Court Appointed Special Advocate (CASA)	$ 118,863
Consumers Energy Household Goods	4,744
Greenville Optimist Camp for People with Disabilities	55,041
Montcalm Human Services Coalition	836
Head Start	2,101
Veterans Support Fund	4,067
Threshold Academy Scholarship Fund	2,152
Montcalm County Food Drive	30,539
Foster Grandparent / Senior Companion	4,834
Walk for Warmth	32,094
Isabella County Ministerial Association	206
Total net assets released from donor restrictions	**$ 255,477**

7. CONTRIBUTIONS OF NONFINANCIAL ASSETS

Contributions of nonfinancial assets were received for the following programs/activities for the year ended September 30, 2025. Certain amounts represent volunteer time for non-specialized services. While such amounts are permitted to be used toward grant match requirements, they do not meet the criteria for recognition in the financial statements. The amount recognized is recorded as contributions of nonfinancial assets without donor restrictions and within child education activities, and senior services program expenses in the statement of activities. Contributed professional services are valued based on comparable positions within the Organization or market based rates for similar services. A summary of contributions of nonfinancial assets received are as follows:

	Total Contributions	Amount Recognized
Child education activities:		
Head Start	$ 3,200,468	$ 992,156
Senior services:		
Foster Grandparent Program - AASA	231,661	32,264
Foster Grandparent Program - CNCS	148,178	28,873
Senior Companion Program - AASA	87,401	10,680
Senior Companion Program - CNCS	70,625	18,588
Total senior services	537,865	90,405
Other services:		
HUD Permanent Housing	34,796	-
HUD PSH Dedicated+	69,564	-
Total other services	104,360	-
Total contributions of nonfinancial assets	**$ 3,842,693**	**$ 1,082,561**

Notes to Financial Statements

8. RETIREMENT PLAN

The Organization had a voluntary defined contribution money purchase pension plan funded through deferred custodial accounts and annuities pursuant to IRS Code Section 401(a). Participation in the plan is open, on a voluntary basis, to all employees who are at least 18 years of age and who are compensated for at least 1,000 hours of service in a plan year.

Employee contributions to the plan are determined by the employee and based on a percentage of his or her bi-weekly earnings. The Organization contributes 5% of compensation for all eligible employees participating in the plan. Employer and employee contributions to the plan for the year ended September 30, 2025 were $251,427 and $333,945, respectively. Participants are immediately vested in all contributions and proceeds may be withdrawn at any time subject to an early withdrawal penalty.

9. LEASES

The Organization leases office space. Net lease cost during the year ended September 30, 2025 is composed entirely of operating lease cost totaling $88,711. This cost is presented in the occupancy row on the statement of functional expenses. The lease agreement expiration dates range from June 30, 2026 through June 30, 2027.

The following table summarizes other information related to the Organization's leases during the year ended September 30, 2025:

Cash paid for amounts included in the measurement of lease obligations:		
Operating cash flows from operating leases	$	86,461
Right-of-use assets obtained in exchange for new operating lease obligations	$	29,981
Weighted-average remaining lease-term - operating leases (in years)		1.46
Weighted average discount rate - operating leases		5.50%

The following table presents a maturity analysis summary of the Organization's lease obligations recorded on the statement of financial position as of September 30, 2025:

Year	Amount
2026	$ 80,033
2027	40,500
Total lease payments	120,533
Less discount to present value	(7,659)
Total lease obligations	112,874
Less current portion	(76,106)
Long-term lease obligations	**$ 36,768**

10. COMMUNITY FOUNDATION

The Greenville Area Community Foundation (the "Foundation") maintains two separate funds that are not included in the financial statements for programs administered by the Organization (the Camp Wah-Wah-Tay-See Fund, and the Threshold Academy Fund). Resources of the funds can be obtained and expended by the Organization under provisions of the agreements and upon approval by the Foundation. While such contributions are earmarked for the Organization, the variance power held by the Foundation precludes their recognition in the accompanying financial statements in accordance with GAAP. Earnings on the endowments after specific annual additions to the endowment corpus can also be obtained and expended by the Organization upon request by the Organization's Board of Directors and approval by the Foundation. At September 30, 2025, the balance of the assets held by the Greenville Area Community Foundation for Camp Wah-Wah-Tay-See and Threshold Academy was $32,977 and $104,101, respectively.

11. LINE OF CREDIT

The Organization has available a $300,000 line of credit with variable interest charged at the prime rate (effective rate of 7.25% at September 30, 2025). The line expires on February 27, 2027, and is secured by the Organization's assets. There were no outstanding borrowings as of September 30, 2025.

12. SUBSEQUENT EVENTS

Effective December 18, 2025, the Organization entered into an agreement with a third party for software and related support services for three years. Under this agreement, the Organization is committed to paying approximately $129,000 in 2026 and $91,000 in 2027 and $91,000 in 2028.

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SINGLE AUDIT ACT COMPLIANCE

INDEPENDENT AUDITORS' REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE

March 19, 2026

Board of Directors
EightCAP, Inc.
Orleans, Michigan

We have audited the financial statements of ***EightCAP, Inc.*** (a Michigan not-for-profit corporation), as of and for the year ended September 30, 2025, and have issued our report thereon dated March 19, 2026, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Rehmann Robson LLC

EIGHTCAP, INC.

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2025

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Agriculture					
Child and Adult Care Food Program	10.558	MDE	590001008 - 251920/252010	$ -	$ 492,779
U.S. Department of Housing and Urban Development					
Community Development Block Grant /State's Program					
MSHDA Recovery Housing Program	14.228	MSHDA	HML-2024-45-RHP	75,134	75,725
Chill Grant	14.228	COI	N/A	-	4,368
				75,134	80,093
Emergency Solutions Grant:					
Gratiot, Isabella, Montcalm, Ionia Counties	14.231	MSHDA	HML-2024-45-ESF	169,904	349,597
Americorps	14.231	MSHDA	HML-2025-45-ESM-02	-	6,500
				169,904	356,097
Continuum of Care Program:					
Coordinated Entry System Services	14.267	MSHDA	HML-2024-45-CES-02	-	44,765
Coordinated Entry System Services	14.267	MSHDA	HML-2025-45-CES-03	-	7,710
Rapid Re-Housing Program	14.267	MDHHS	E20250408-00	-	300,764
Continuum of Care Program - PSH Dedicated	14.267	Direct	MI0745R5F002200	-	162,972
Continuum of Care Program - PSH Dedicated	14.267	Direct	MI0668L5F002304	-	103,716
Continuum of Care Program	14.267	Direct	MI0435L5F002309	-	125,122
				-	745,049
Youth Homelessness Demonstration Program	14.276	MSHDA	HML-2022-45-YHDP	-	13,250
Total U.S. Department of Housing and Urban Development				**245,038**	**1,194,489**
U.S. Department of Treasury					
COVID-19 - Coronavirus State and Local Fiscal Recover Funds:					
Weatherization Deferral Reduction	21.027	MDHHS	WXDEF-2025-59010	-	302,206
Local Water Utility Affordability	21.027	MDHHS	LWUA-2025-59010	-	145,752
Filter First/Healthy Hydration	21.027	MDE	590001008-242426	-	4,878
Total U.S. Department of Treasury				**-**	**452,836**
U.S. Department of Veterans Affairs					
VA Supportive Services for Veteran Families Program	64.033	MMCAA	VA-SSVF-2024	-	135,806
VA Supportive Services for Veteran Families Program	64.033	MMCAA	VA-SSVF-2025	-	316,944
Total U.S. Department of Veterans Affairs				**-**	**452,750**
U.S. Department of Energy					
Weatherization Assistance for Low-Income Persons	81.042	MDHHS	DOE1-2025-59010 (E20250149-00)	-	578,330
Weatherization Assistance for Low-Income Persons	81.042	MDHHS	WXBIL-2025-59010 (E20250152-00)	-	580,910
Total U.S. Department of Energy				**-**	**1,159,240**
U.S. Department of Health and Human Services					
Temporary Assistance for Needy Families					
Diaper Bank	93.558	MDHHS	DTANF-2025-59010 (E20250156-00)	-	178,815
Low-Income Home Energy Assistance Program:					
Weatherization LIHEAP	93.568	MDHHS	LIHP-2025-59010 (E20250192-00)	-	576,629

continued…

EIGHTCAP, INC.

Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2025

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Health and Human Services (Continued)					
Community Services Block Grant	93.569	MDHHS	CSBG1-2025-59010 (E20250147-00)	$ -	$ 364,933
Community Services Block Grant	93.569	MDHHS	CS25-2025-59010 (E20250145-00)	-	324,862
				-	689,795
Head Start Cluster:					
Head Start and Early Head Start	93.600	Direct	05CH012451-01	-	2,922,235
Head Start and Early Head Start	93.600	Direct	05CH012451-02	-	8,287,095
				-	11,209,330
Total U.S. Department of Health and Human Services				**-**	**12,654,569**
Corporation for National and Community Service					
Foster Grandparent/Senior Companion Cluster:					
Foster Grandparent	94.011	Direct	24SFCMI002	-	216,942
Senior Companion	94.016	Direct	22SCCMI004	-	76,970
Senior Companion	94.016	Direct	25SCCMI003	-	2,275
				-	79,245
Total Corporation for National and Community Service				**-**	**296,187**
U.S. Department of Homeland Security					
Emergency Food and Shelter National Board Program	97.024	Direct	469400-023	-	(173)
Emergency Food and Shelter National Board Program	97.024	Direct	477400-007	-	5,605
Emergency Food and Shelter National Board Program	97.024	Direct	470800-006	-	4
Emergency Food and Shelter National Board Program	97.024	Direct	471400-001	-	5,000
Total U.S. Department of Homeland Security				**-**	**10,436**
Total Expenditures of Federal Awards				**$ 245,038**	**$ 16,713,286**

concluded

See accompanying notes to schedule of expenditures of federal awards.

Notes to Schedule of Expenditures of Federal Awards

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts 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.

2. DE MINIMIS COST RATE

For purposes of charging indirect costs to federal awards, the Organization has not elected to use the de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

3. RECONCILIATION TO FINANCIAL STATEMENTS

The following table reconciles expenditures on the Schedule to grant revenue as reported in the financial statements:

Grant revenue as reported in the financial statements	$ 17,512,708
State and local funding sources	(799,422)
Expenditures per Schedule	**$ 16,713,286**

Notes to Schedule of Expenditures of Federal Awards

4. PASS-THROUGH AGENCIES

The Organization receives certain federal grants as subawards from non-federal entities. Pass-through entities, where applicable, have been identified in the Schedule with an abbreviation, defined as follows:

Pass-through Entity Abbreviation	Pass-through Entity Name
COI	City of Ionia
MDE	Michigan Department of Education
MDHHS	Michigan Department of Health and Human Services
MMCAA	Mid Michigan Community Action Agency
MSHDA	Michigan State Housing Development Authority

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

March 19, 2026

Board of Directors
EightCAP, Inc.
Orleans, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of ***EightCAP, Inc.*** (the "Organization"), which comprise the statement of financial position as of September 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 19, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

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

Rehmann Robson LLC

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

March 19, 2026

Board of Directors
EightCAP, Inc.
Orleans, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of ***EightCAP, Inc.*** (the "Organization"), with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2025. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 Independent Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the 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 the major federal programs. Our audit does not provide a legal determination of the 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 the Organization's federal programs.

Independent Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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 GAAS, *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 the Organization's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the 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 the 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 the 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 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 Independent Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

Purpose of this Report

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.

Rehmann Robson LLC

EIGHTCAP, INC.

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2025

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of report the auditor issued: 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 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
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ yes	X no

Identification of major programs:

Assistance Listing Number	Name of Federal Program Title or Cluster	Type of Report
81.042	Weatherization Assistance for Low-Income Persons	Unmodified
93.600	Head Start Cluster	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: $ 1,000,000

Auditee qualified as low-risk auditee?	X yes	____ no

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2025

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2025

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

Summary Schedule of Prior Audit Findings

For the Year Ended September 30, 2025

No matters were reported.

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