INNOVATIVE SOLUTIONS FOR DISADVANTAGE AND DISABILITY, INC.

Financial Statements
and
Independent Auditors' Report

For the Years Ended June 30, 2025 and 2024

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Innovative Solutions for Disadvantage and Disability, Inc.

Opinion

We have audited the financial statements of Innovative Solutions for Disadvantage and Disability, Inc. ("the Organization"), which comprise the Statements of Financial Position as of June 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 Financial Statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audits 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a 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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audits 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 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 audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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.

Report on Summarized Comparative Information

In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Marshall Jones

Alpharetta, Georgia
February 17, 2026

INNOVATIVE SOLUTIONS FOR DISADVANTAGE AND DISABILITY, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2025 and 2024

	2025	2024
ASSETS		
Current Assets		
Cash	**$ 230,918**	$ 345,867
Grants receivable	**157,322**	152,325
Other assets	**5,778**	7,145
Total Current Assets	**394,018**	505,337
Property and Equipment, net	**17,697**	20,201
Other Assets		
Operating lease right-of-use asset	**283,062**	330,712
Total Other Assets	**283,062**	330,712
TOTAL ASSETS	**$ 694,777**	$ 856,250
LIABILITIES		
Current Liabilities		
Accounts payable	**$ 6,003**	$ 7,269
Accrued liabilities	**395**	655
Deferred revenue	**-**	36,468
Operating lease liability, current portion	**49,562**	41,403
Total Current Liabilities	**55,960**	85,795
Long-Term Liabilities		
Operating lease liability, net of current portion	**240,836**	252,841
Total Long-Term Liabilities	**240,836**	252,841
TOTAL LIABILITIES	**296,796**	338,636
NET ASSETS		
Without donor restrictions	**346,910**	507,509
With donor restrictions	**51,071**	10,105
TOTAL NET ASSETS	**397,981**	517,614
TOTAL LIABILITIES AND NET ASSETS	**$ 694,777**	$ 856,250

These financial statements should be read only in connection with the accompanying independent auditors' report and notes to financial statements.

INNOVATIVE SOLUTIONS FOR DISADVANTAGE AND DISABILITY, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2025 and 2024

	2025			2024
	Net Assets			
	Without Donor Restrictions	With Donor Restrictions	**Total**	Total
Revenues				
Grants	$ 618,907	$ 174,490	**$ 793,397**	$ 814,521
Contributions	42,060	-	**42,060**	37,613
In-kind contributions	49,833	-	**49,833**	73,851
Interest income	756	-	**756**	906
Special events	5,803	-	**5,803**	864
Net assets released from restrictions	133,524	(133,524)	**-**	-
Total Revenues	850,883	40,966	**891,849**	927,755
Expenses				
Program services	856,494	-	**856,494**	817,619
Management and general	78,804	-	**78,804**	59,268
Fundraising	76,184	-	**76,184**	20,150
Total Expenses	1,011,482	-	**1,011,482**	897,037
Change in net assets	(160,599)	40,966	**(119,633)**	30,718
Net Assets – Beginning of Year	507,509	10,105	**517,614**	486,896
Net Assets – End of Year	$ 346,910	$ 51,071	**$ 397,981**	$ 517,614

These financial statements should be read only in connection with the accompanying independent auditors' report and notes to financial statements.

INNOVATIVE SOLUTIONS FOR DISADVANTAGE AND DISABILITY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2025 and 2024

	2025				2024
	Program Services	Management and General	Fundraising	**Total Expenses**	Total Expenses
Functional Expenses					
Salaries and benefits	$ 564,003	$ 35,496	$ 65,739	**$ 665,238**	$ 534,790
Advertising and marketing	412	13	192	**617**	808
Depreciation	-	5,083	-	**5,083**	5,030
Direct aid	157,222	-	410	**157,632**	198,994
In-kind contributions	48,625	14	14	**48,653**	73,851
Insurance	6,628	543	569	**7,740**	6,989
Meeting	-	55	-	**55**	-
Miscellaneous	422	1,082	372	**1,876**	8,111
Moving	-	204	-	**204**	3,613
Office expense	4,975	996	4,171	**10,142**	4,912
Postage	1,652	20	9	**1,681**	1,680
Printing and publications	206	45	57	**308**	4,338
Professional fees	-	31,138	-	**31,138**	21,440
Rent	56,848	3,064	3,812	**63,724**	24,264
Staff development	487	-	89	**576**	1,920
Telephone and internet	7,807	499	692	**8,998**	600
Travel	7,207	552	58	**7,817**	5,697
Total Functional Expenses	$ 856,494	$ 78,804	$ 76,184	**$ 1,011,482**	$ 897,037

These financial statements should be read only in connection with the accompanying independent auditors' report and notes to financial statements.

INNOVATIVE SOLUTIONS FOR DISADVANTAGE AND DISABILITY, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Receipts from grantors and donors	**$ 830,460**	$ 784,029
Payments to vendors	**(284,568)**	(280,551)
Employee compensation	**(666,321)**	(532,001)
Interest income	**756**	906
Receipts from special events	**5,803**	864
Net Cash Used In Operating Activities	**(113,870)**	(26,753)
Cash Flows from Investing Activities		
Purchases of property and equipment	**(1,079)**	(14,703)
Net Cash Used In Investing Activities	**(1,079)**	(14,703)
Net Decrease in Cash	**(114,949)**	(41,456)
Cash – Beginning of Year	**345,867**	387,323
Cash – End of Year	**$ 230,918**	$ 345,867

These financial statements should be read only in connection with the accompanying independent auditors' report and notes to financial statements.

NOTE 1 – DESCRIPTION OF ORGANIZATION AND BASIS OF PRESENTATION

Description of Organization

Innovative Solutions for Disadvantage and Disability, Inc. ("ISDD" or "the Organization") was incorporated as a Georgia not-for-profit voluntary health and welfare organization on April 22, 2004. ISDD's mission is to empower, educate and equip kinship caregivers of disadvantaged children in Metro Atlanta. Kinship families are created when biological parents are unable to raise their children, usually as the result of some unplanned, traumatic event. In these circumstances, children are either placed with relatives whom they know or with strangers in foster care. The preferred placement is with relatives where children benefit from many protective factors, such as being with family, remaining with other siblings, maintaining a sense of cultural identity, and feeling safe and loved. Kinship families face many challenges, however. Since they are outside of the foster care system, they don't receive the financial support and other benefits that foster families receive. The majority of kinship caregivers are grandparents, who many times are out of the workforce due to age or disability. The expense of raising a child a second time around can drain savings and pension accounts. Without the natural parent relationship to the child, kinship caregivers struggle to access unfamiliar educational, social, health and legal systems and have difficulty accessing benefits even when they qualify for them. These stresses can cause a kinship caregiver to feel that there is no choice but to give up a child to foster care.

ISDD is the largest provider of evidence-based comprehensive kinship family support services, the only provider serving the entire Atlanta Metro Area and the only agency specializing in support for families that include children with special needs. The Organization's goal is to ensure that children in kinship care experience safety, stability, permanence and high levels of well-being. Services include case management, support groups for adults, children and teens, parenting classes that focus on the kinship role, in-home tutoring, respite care, guardianship assistance, educational programming, family outings, material assistance (help with food, clothing, school supplies, rent and utility payments, etc.) and a monthly newsletter. All services are provided free of charge.

ISDD has been recognized for excellence four times. In 2013, ISDD received the 21st Annual Dr. Martin Luther King, Jr. Community Service Award, in 2021; Generations United presented the Brookdale Foundation Grandfamilies Award; in 2022, United Way of Metro Atlanta awarded ISDD with the Gwinnett Spark Prize; in 2023, ISDD received the Janet Sainer RAPP (Relatives as Parents Program) Award from the Brookdale Foundation Group.

Basis of Presentation

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP"), which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

(Continued)

NOTE 1 – DESCRIPTION OF ORGANIZATION AND BASIS OF PRESENTATION (Continued)

Basis of Presentation (Continued)

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

Net Assets Without Donor Restrictions – Represents 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.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property and Equipment

Property and equipment are stated at cost, or if donated, at estimated fair value at the date of donation. Any donations of property and equipment are also recorded as support in the Statements of Activities at their estimated fair value. Depreciation is computed over the estimated useful lives (5-7 years) of the assets using the straight-line method.

Acquisitions of property and equipment or repairs, maintenance, or betterments that materially prolong the useful lives of assets are capitalized.

Grants Receivable

Grants receivable are recognized as revenue and assets in the period the promises to give are acknowledged. Conditional grants receivable, if any, are not recognized until the conditions on which the grants depend are substantially met.

Grants receivable are stated at unpaid balances, less an allowance for doubtful accounts. ISDD provides for losses on receivables using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of clients to meet their obligations. No allowance was deemed necessary as of June 30, 2025 and 2024.

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants Receivable (Continued)

Grants receivable are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible grants receivable when management determines the receivable will not be collected. There were no uncollectible grants for the years ended June 30, 2025 and 2024.

Revenue Recognition

A significant portion of the Organization's grants and contracts are from government agencies. These benefits received by the public as a result of the assets transferred are not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

In-kind Contributions

The Organization has adopted Accounting Standards Update 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Gifts in Kind).* Donations of property and equipment are recorded at their estimated fair value. Such donations are reported as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used.

Donated services are recognized as contributions if the services (a) create or enhance the nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers provide a significant amount of services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

For the year ended June 30, 2025, ISDD recognized contributed nonfinancial assets within revenue of $49,833 for direct aid expense. For the year ended June 30, 2024, ISDD recognized contributed nonfinancial assets within revenue of $73,851 for direct aid expense.

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses

The costs of providing the various programs and other activities are summarized on a functional basis. The Statements of Functional Expenses present the functional basis of expenses by natural classification. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated based on square footage include facilities and personnel.

Tax Exempt Status

The Organization is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision or liability for federal and state income taxes has been recorded in the accompanying financial statements.

The Organization annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the Organization takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification. In the normal course of business, the Organization is subject to examination by the federal and state taxing authorities. In general, the Organization is no longer subject to tax examinations for the years ending before June 30, 2022.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Risks and Uncertainties

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash, contributions, grants, and other receivables. The Organization believes it reduces risks associated with balances in excess of federally insured amounts by maintaining its cash with major financial institutions with sound financial standing.

Amounts due from three grantors totaled 92% and 95% of grants receivable at June 30, 2025 and 2024, respectively. Management believes that there are no foreseeable negative contingencies related to this concentration.

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

The Organization has evaluated subsequent events through February 17, 2026, the date this report was available to be issued. See Note 9 for a description of subsequent events.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES

ISDD structures their financial assets to be available as their general expenditures, liabilities, and other obligations come due. In addition to financial assets available to meet general expenditures over the next twelve months, ISDD utilizes an operating budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor restricted resources. The Organization's financial assets available within one year of the Statements of Financial Position dates for general expenditures are as follows at June 30:

	2025	2024
Cash	**$ 230,918**	$ 345,867
Grants receivable	**157,322**	152,325
	388,240	498,192
Less: Net assets with donor restrictions	**(51,071)**	(10,105)
Financial assets available to meet cash needs for general expenditures within one year	**$ 337,169**	$ 488,087

NOTE 4 – PROPERTY AND EQUIPMENT

A summary of property and equipment is as follows for the years ended June 30:

	2025	2024
Furniture and fixtures	**$ 39,203**	$ 37,705
Computers	**4,127**	3,046
	43,330	40,751
Less: Accumulated depreciation	**(25,633)**	(20,550)
Property and equipment, net	**$ 17,697**	$ 20,201

Depreciation expense for the years ended June 30, 2025 and 2024 totaled $5,083 and $5,030, respectively.

NOTE 5 – REVENUES

A summary of disaggregated revenue information follows for the years ended June 30:

	2025	2024
Revenues, Gains and Support		
Grants revenue (non-exchange)		
Government grants	**$ 666,321**	$ 674,929
Foundation grants	**53,338**	28,850
Corporate and other	**73,738**	110,742
Total grant revenue	**793,397**	814,521
Contributions (non-exchange)	**42,060**	37,613
In-kind contributions (non-exchange)	**49,833**	73,851
Special event contributions (non-exchange)	**5,803**	864
Interest income (non-exchange)	**756**	906
Total Revenues, Gains and Support	**$ 891,849**	$ 927,755

NOTE 6 – ASC 842, OPERATING LEASE

ISDD leases its office space under a long-term non-cancelable operating lease. The lease expires in 2030. The operating lease provides for increases in future minimum annual rental payments and includes a renewal option which management assessed was not likely to be exercised. As a result, the renewal option is not included in the lease term used in the calculations.

The weighted-average discount rate is based on the discount rate implicit in the lease. If the implicit rate is not readily determinable from the lease, ISDD estimates an applicable risk free rate. The risk free rate of 4.44% was estimated using United States Treasury par yields and the contractual lease terms.

Total operating lease right-of-use asset at June 30, 2025 and 2024 were $283,062 and $330,712, respectively. Total operating lease liability at June 30, 2025 and 2024 were $290,398 and 330,712, respectively.

(Continued)

NOTE 6 – ASC 842, OPERATING LEASE (Continued)

The future minimum operating lease payments, including imputed interest, under the noncancelable operating lease as of June 30, 2025 are as follows:

2026	$ 60,728
2027	62,373
2028	64,018
2029	65,663
2030	67,308
Thereafter	5,620
Less: Present value discount	(35,312)
Total	$ 290,398

NOTE 7 – RETIREMENT PLAN

The Organization sponsors a 403(b) plan that covers eligible employees. All employees are considered eligible to participate in this plan as of their hire date.

The plan provides for elective salary deferrals for eligible employees. The Organization might make a discretionary matching contribution equal to a uniform percentage or dollar amount of employee elective deferrals. Additionally, each year the Organization might make a discretionary nonelective contribution for the plan year.

Participants' contributions vest immediately and may be withdrawn upon attainment of 59 and ½ years of age or upon the participants' death, disability, or separation from service. The Organization's matching contributions and nonelective contributions are 100% vested after the employee has reached two years of service.

For the years ended June 30, 2025 and 2024, the Organization's contributions to the plan totaled $10,686 and $6,629, respectively.

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restriction are not subject to appropriation or expenditure, and relate to the following restrictions by purpose or time:

	2025	2024
Bailin Bequest	**$ 9,404**	$ 10,105
Learning Loss Program (restricted by time)	**41,667**	-
Total net assets with donor restrictions	**$ 51,071**	$ 10,105

(Continued)

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

The Bailin Bequest is to be used for the express purpose of providing food, drinks and entertainment for disabled persons.

The Learning Loss Program consists of an unconditional grant from a foundation which is to be used to address learning loss in K-12 youth. The grant funds were received during the year ended June 30, 2025, and are to be spent over a period of 12 months. As a result, the funds are considered to be restricted by time with the restriction released on a straight-line basis as the grant period elapses.

NOTE 9 – SUBSEQUENT EVENT

Subsequent to June 30, 2025, the Organization entered into a line of credit agreement with a financial institution that provides for borrowings of up to $100,000. The line of credit is secured by a certificate of deposit held by the Organization. As of the date of issuance of these financial statements, no amounts had been drawn on the line of credit. This subsequent event did not exist at the Statement of Financial Position date and, accordingly, has not been recognized in the accompanying financial statements.