

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Audited Financial Statements
Years Ended March 31, 2017 and 2016

Table of Contents

	<u>Page(s)</u>
Independent Auditors' Report	1 - 2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7 – 19
Supplemental Information	
Schedule of Unrestricted Revenues and Expenses by Program	21
Schedule of Expenditures of Federal and State Awards	22
Notes to the Schedule of Expenditures of Federal and State Awards	23
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	24 – 25
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	26 – 27
Summary Schedule of Prior Audit Findings	28
Schedule of Findings and Questioned Costs	29

Thomas G. Wieland
David A. Grotkin
Joel A. Joyce
Brian J. Mechenich



Carrie A. Gindt
Patrick G. Hoffert
Jason J. Wrasse
Joshua T. Bierbach

Independent Auditors' Report

Board of Directors
COA Youth and Family Centers
Milwaukee, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of COA Youth and Family Centers ("COA") (a nonprofit organization), which comprise the statements of financial position as of March 31, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of COA Youth and Family Centers as of March 31, 2017 and 2016, 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of unrestricted revenues and expenses by program is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal and state awards, is required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and are 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 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 dated June 27, 2017 on our consideration of COA Youth and Family Centers' 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 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 COA Youth and Family Centers' internal control over financial reporting and compliance.

June 27, 2017
Milwaukee, Wisconsin

COA YOUTH AND FAMILY CENTERS

Milwaukee, Wisconsin

Statements of Financial Position

March 31, 2017 and 2016

Assets:	<u>2017</u>	<u>2016</u>
Cash and equivalents	\$ 899,536	\$ 602,433
Receivables:		
Due from government grantors	208,856	280,518
United Way	180,054	182,435
Childcare third party	115,012	87,675
Accounts receivable	63,640	10,739
Capital campaign pledges	6,287	30,709
100th anniversary pledges	25,892	55,845
Other pledges	1,448,591	1,015,866
Investments	5,535,190	5,482,339
Beneficial interest in trust	25,000	---
Prepaid expenses	75,582	57,010
Milwaukee Foundation Funds	99,698	93,720
Furniture and equipment	429,979	328,557
Vehicles	205,430	177,782
Buildings and improvements	6,888,041	6,680,711
Land and land improvements	1,169,087	1,136,253
Construction in progress	10,892	---
Less: Accumulated depreciation	<u>(3,503,108)</u>	<u>(3,222,116)</u>
Total assets	<u>\$ 13,883,659</u>	<u>\$ 13,000,476</u>
Liabilities and Net Assets:		
Liabilities:		
Accounts payable	\$ 113,774	\$ 257,162
Accrued salaries	80,476	55,012
Payroll tax and related liabilities	12,727	8,856
Deferred revenue	10,973	8,059
Total liabilities	<u>217,950</u>	<u>329,089</u>
Net Assets:		
Unrestricted:		
Undesignated	5,424,958	5,356,473
Board designated	1,534,433	1,467,482
Temporarily restricted	3,668,957	2,853,932
Permanently restricted	3,037,361	2,993,500
Total net assets	<u>13,665,709</u>	<u>12,671,387</u>
Total liabilities and net assets	<u>\$ 13,883,659</u>	<u>\$ 13,000,476</u>

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

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Statements of Activities
Years Ended March 31, 2017 and 2016

	2017				2016			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue, Support and Releases:								
Revenue and support:								
Contributions and grants	\$ 1,388,444	\$ 1,389,563	\$ 28,380	\$ 2,806,387	\$ 948,420	\$ 1,401,819	\$ 9,051	\$ 2,359,290
Contributions in-kind	350,554	---	---	350,554	64,847	---	---	64,847
Government grants	1,234,946	---	---	1,234,946	1,348,446	---	---	1,348,446
Program service fees	2,262,246	---	---	2,262,246	1,611,127	---	---	1,611,127
Investment income	60,889	104,788	---	165,677	(2,725)	135,363	---	132,638
Milwaukee Foundation net activity	---	---	5,978	5,978	---	---	(6,267)	(6,267)
Loss on disposal of property and equipment	(5)	---	---	(5)	(3,010)	---	---	(3,010)
Miscellaneous revenue	21,830	---	---	21,830	19,336	---	---	19,336
United Way allocation	628,745	190,054	---	818,799	655,552	182,435	---	837,987
Special events revenue	275,678	---	---	275,678	233,913	---	---	233,913
Special events expenses	(70,946)	---	---	(70,946)	(70,758)	---	---	(70,758)
Total revenue and support	6,152,381	1,684,405	34,358	7,871,144	4,805,148	1,719,617	2,784	6,527,549
Endowment income released	237,737	(237,737)	---	---	135,977	(135,977)	---	---
Net assets released from restrictions	918,530	(918,530)	---	---	3,234,307	(3,234,307)	---	---
Total revenue, support and releases	7,308,648	528,138	34,358	7,871,144	8,175,432	(1,650,667)	2,784	6,527,549
Expenses:								
Program Services:								
Early Childhood Education	2,455,760	---	---	2,455,760	1,865,719	---	---	1,865,719
Youth Development Programs	1,852,610	---	---	1,852,610	1,656,075	---	---	1,656,075
Family Support Services	800,264	---	---	800,264	670,767	---	---	670,767
Camping/Conference Center	532,531	---	---	532,531	573,334	---	---	573,334
Community Services	990,564	---	---	990,564	874,605	---	---	874,605
Total program services	6,631,729	---	---	6,631,729	5,640,500	---	---	5,640,500
Supporting services:								
Management and general	348,978	---	---	348,978	326,435	---	---	326,435
Fund-raising	288,164	---	---	288,164	269,456	---	---	269,456
Total supporting services	637,142	---	---	637,142	595,891	---	---	595,891
Total program and supporting services	7,268,871	---	---	7,268,871	6,236,391	---	---	6,236,391
Change in net assets from operations	39,777	528,138	34,358	602,273	1,939,041	(1,650,667)	2,784	291,158
Realized and unrealized gain (loss) on investments	95,659	286,887	9,503	392,049	(17,159)	(200,657)	(11,095)	(228,911)
Change in net assets	135,436	815,025	43,861	994,322	1,921,882	(1,851,324)	(8,311)	62,247
Net Assets:								
Beginning of year	6,823,955	2,853,932	2,993,500	12,671,387	4,902,073	4,705,256	3,001,811	12,609,140
End of year	\$ 6,959,391	\$ 3,668,957	\$ 3,037,361	\$ 13,665,709	\$ 6,823,955	\$ 2,853,932	\$ 2,993,500	\$ 12,671,387

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

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Statements of Functional Expenses
Years Ended March 31, 2017 and 2016

	2017					2016				
	Supporting Services				Total Program and Supporting Services Expenses	Supporting Services				Total Program and Supporting Services Expenses
Program Services	Management and General	Fund- Raising	Total	Total		Program Services	Management and General	Fund- Raising	Total	
Salaries	\$ 3,883,551	\$ 199,572	\$ 190,837	\$ 390,409	\$ 4,273,960	\$ 3,212,149	\$ 171,702	\$ 176,806	\$ 348,508	\$ 3,560,657
Payroll taxes	313,632	14,597	15,484	30,081	343,713	293,806	14,512	16,266	30,778	324,584
Pension expense	13,119	3,318	2,277	5,595	18,714	3,508	1,048	504	1,552	5,060
Other fringe benefits	275,495	22,386	12,069	34,455	309,950	225,871	19,885	11,841	31,726	257,597
Professional fees	327,093	99,058	10,101	109,159	436,252	281,132	112,573	6,513	119,086	400,218
Supplies	426,290	66	133	199	426,489	386,593	215	271	486	387,079
Computer maintenance	670	7	15	22	692	2,979	47	110	157	3,136
Telephone	32,023	925	818	1,743	33,766	37,828	1,186	949	2,135	39,963
Postage	3,589	55	1,193	1,248	4,837	5,492	250	1,141	1,391	6,883
Occupancy	336,501	2,588	5,254	7,842	344,343	320,168	2,104	4,921	7,025	327,193
Program expenses	395,426	---	---	---	395,426	434,655	---	---	---	434,655
Printing	8,570	23	6,392	6,415	14,985	8,170	44	8,899	8,943	17,113
Transportation	83,973	30	63	93	84,066	81,897	12	28	40	81,937
Marketing and advertising	3,002	---	150	150	3,152	1,228	---	227	227	1,455
Staff training and advertising	22,792	71	130	201	22,993	13,925	66	272	338	14,263
Membership dues	23,059	11	47	58	23,117	19,930	7	202	209	20,139
Contributions in-kind	155,854	---	28,333	28,333	184,187	29,361	---	32,500	32,500	61,861
Miscellaneous expenses	38,267	6,271	12,701	18,972	57,239	37,951	2,784	5,888	8,672	46,623
Bad debt expense	1,500	---	---	---	1,500	---	---	---	---	---
Total expenses before depreciation and allocation	6,344,406	348,978	285,997	634,975	6,979,381	5,396,643	326,435	267,338	593,773	5,990,416
Depreciation	287,323	---	2,167	2,167	289,490	243,857	---	2,118	2,118	245,975
Total expenses before allocation	6,631,729	348,978	288,164	637,142	7,268,871	5,640,500	326,435	269,456	595,891	6,236,391
Allocated administration expenses	335,759	(348,978)	13,219	(335,759)	---	313,846	(326,435)	12,589	(313,846)	---
Total expenses	\$ 6,967,488	\$ ---	\$ 301,383	\$ 301,383	\$ 7,268,871	\$ 5,954,346	\$ ---	\$ 282,045	\$ 282,045	\$ 6,236,391

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

COA YOUTH AND FAMILY CENTERS

Milwaukee, Wisconsin

Statements of Cash Flows

Years Ended March 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 994,322	\$ 62,247
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	289,490	245,975
Realized and unrealized (gain) loss on investments	(392,049)	228,911
Milwaukee Foundation net activity	(5,978)	6,267
Loss on disposal of property and equipment	5	3,010
Endowment contributions	(28,380)	(9,051)
In-kind contributions of fixed assets	(131,046)	(2,986)
Change in assets and liabilities:		
Prepaid expenses	(18,572)	(19,250)
Receivables	(384,545)	(360,393)
Beneficial interest in trust	(25,000)	---
Accounts payable	(143,388)	62,558
Accrued salaries and payroll liabilities	29,335	(87,315)
Deferred revenue	2,914	(515)
Net cash provided by operating activities	<u>187,108</u>	<u>129,458</u>
Cash Flows from Investing Activities:		
Purchase of property and equipment	(257,581)	(2,177,428)
Purchases of investments	(1,043,094)	(2,661,857)
Proceeds from sale of investments	1,382,290	4,338,611
Net cash provided (used) by investing activities	<u>81,615</u>	<u>(500,674)</u>
Cash Flows from Financing Activities:		
Endowment contributions	<u>28,380</u>	<u>9,051</u>
Net increase (decrease) in cash and equivalents	297,103	(362,165)
Cash and equivalents, beginning of year	602,433	964,598
Cash and equivalents, end of year	<u>\$ 899,536</u>	<u>\$ 602,433</u>

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

COA YOUTH AND FAMILY CENTERS

Milwaukee, Wisconsin

Notes to Financial Statements

March 31, 2017 and 2016

1. Organization

COA Youth and Family Centers (COA) helps Milwaukee children, teens and families reach their greatest potential through a continuum of educational, recreational and social work programs offered through its Riverwest and Goldin community centers, at COA's rural camp facility, at seven schools and two parks. As a multicultural agency, COA values diversity and cooperation and promotes personal growth and positive social interaction. Its primary sources of revenue are from contributions and grants, government grants, program service fees, United Way allocation and special events.

COA Youth and Family Centers realizes its mission through early childhood development, youth development, and community development; all of which include family-centered programming.

Early Childhood Development: COA Youth and Family Centers offers nationally accredited childcare programs for children ages 6 weeks through 6 years. All programs are multicultural and nonsectarian, and fees are determined based on family income. All programs provide individual attention, care, and nurturing, focusing on a child's healthy physical, mental and emotional development. In 2015 COA opened another early child education center at COA's Goldin Center.

Youth Development: COA's commitment to the community involves a wide variety of services for area youth ages 7 to 19. Activities include after-school, summer and weekend programming; special groups for elementary school-aged children, preteens and teens; athletics and field trips; and educational opportunities including computers, arts and crafts, creative writing, homework help and many other activities. COA's Goldin summer day camps offer boys and girls age 7 to 12 summer day activities including games, swimming, arts and crafts, field trips and much more. Programs operate at COA's Riverwest Center and Goldin Center and at COA's Community Learning Centers located at Riverside University High School, OW Holmes Elementary School, Auer Avenue Elementary School, Lincoln Center of the Arts, Hopkins- Lloyd Community School, Doerfler Elementary School, and Westside Academy.

Family Centered Programming: COA provides family programming through the Rose and Harry Samson Family Center (located at COA's Riverwest Center), and the Ethel Nutis Gill Family Center (at COA's Goldin Center). These services seek to strengthen families through parenting education, life skills workshops, peer discussion groups and family-oriented activities. Parents of preschool children (ages 3 to 5) may also participate in COA's Home Instruction for Parents of Preschool Youngsters (HIPPO), based on a national model which focuses on helping parents to become their children's primary teachers. COA's family-centered programs are integrated into other program areas including early child development, youth development, and community development.

Camping/Conference Center: As part of COA's Youth Development programs, each summer COA operates camping programs accredited by the American Camping Association. Boys and girls ages 8 through 15 attend COA's Camp Helen Brachman, located on 206 acres in central Wisconsin near Steven's Point. Thirteen day sessions include water and field sports, arts and crafts, music, environmental education, team-building, leadership training and overnight camp-outs. COA's in-city Goldin Summer Day Camps offers boys and girls ages 7 through 12 summer day activities including games, swimming, arts and crafts and much more. Fees are based on family income. In addition to summer camps, COA offers year-round Youth Leadership Institutes, family camps and winter camps. When COA programs are not in session, the camp retreat center is rented to groups for retreats, conferences, staff trainings and special events.

Community Development: COA Youth and Family Centers is a valuable part of the neighborhood and the community it serves. COA is committed to the overall well-being of the neighborhoods surrounding the children and families served, and working together with neighborhood residents. COA also partners with other agencies such as Children's Hospital of Wisconsin to provide pediatric and family care (at the COA Goldin Center), and the Dominican Center for Women to provide adult basic education GED training. Through its long-term lease with the City of Milwaukee, COA operates Kilbourn and Kadish Parks and provides recreational, educational, cultural and group activities for youth and families. Through its lease with Milwaukee County, COA provides recreational and educational activities in Moody Park, adjacent to COA's Goldin Center.

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Notes to Financial Statements
March 31, 2017 and 2016
(Continued)

2. General and Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the COA Youth and Family Centers and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations requiring that the principal be maintained in perpetuity and that only income be expended.

Revenues are reported as increases in unrestricted net assets, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets are reported as net assets released from restrictions.

B. Support and Revenue

Contributions are recognized upon receipt. Pledges are recognized when the pledge is received. Gifts, other than cash, are recognized at fair market value at the date received. Government grants are recognized to the extent of expenses incurred. Program service fees are recognized when earned. Income on investments held is recognized when earned.

C. Contributions In-Kind

Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed facilities are recorded at the fair market value of the space. Contributed tangible assets are recognized at fair market value as determined by the donor when received. The amounts reflected in the accompanying financial statements as contributions in-kind are offset by like amounts included in assets and expenses. Fiscal year 2017 and 2016 contributions in-kind were in the amounts of \$350,554 and \$64,847, respectively. In fiscal year 2017 and 2016 COA recorded expenses for contributed goods and services of \$219,508 and \$61,861, respectively. COA recorded equipment of \$131,046 and \$2,986 in 2017 and 2016, respectively, which will be depreciated over their useful lives.

D. Expenses

Expenses are recognized when they are incurred. Expenses are summarized on a functional basis in the statement of functional expenses and, accordingly, certain costs have been allocated between the functional expense categories as deemed appropriate.

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Notes to Financial Statements
March 31, 2017 and 2016
(Continued)

2. General and Summary of Significant Accounting Policies (Continued)

E. Allocations

The allocation of administrative expenses is based on full-time equivalents.

F. Marketing and Advertising

COA expenses marketing and advertising in the period the expense is incurred. Marketing and advertising expense for fiscal year 2017 and 2016 were \$3,152 and \$1,455, respectively.

G. Pledges Receivable

Pledges receivable are recorded at their estimated fair value, less an appropriate allowance. Pledges are discounted to present value using the average prime rate for the fiscal year the pledge was received. The blended discount rates used were as follows:

	<u>2017</u>	<u>2016</u>
Capital campaign pledges	1.01%	1.06%
100 th anniversary pledges	0.00%	0.00%
Other pledges	1.16%	0.28%

H. Investment Valuation and Income Recognition

Financial Accounting Standards Board (FASB) provides the framework for measuring fair value. That framework provides 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 prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that COA has the ability to access.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset 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.

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Notes to Financial Statements
March 31, 2017 and 2016
(Continued)

2. General and Summary of Significant Accounting Policies (Continued)

H. Investment Valuation and Income Recognition (Continued)

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at March 31, 2017 and 2016.

Taxable fixed income, domestic and international equities, Exchange-Traded funds and Other investments: Valued at the closing price reported on the active market on which the individual securities are traded.

Corporate bonds and United States Treasury Notes: Valued at the present value of future cash flows.

Milwaukee Foundation Funds: Valued at the present value of the proportionate share of allocated assets.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Realized gains and losses and unrealized appreciation and depreciation of COA assets are reported in the statements of activities.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although COA believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

I. Property and Equipment

Purchases of property and equipment of \$2,500 or more are capitalized. Property and equipment are stated at cost. Cost includes expenditures for major improvements and replacements. Donated property is stated at its fair market value at the date of donation. Depreciation is provided on a straight-line basis over the following estimated useful lives:

	<u>Years</u>
Furniture and equipment	5-10
Vehicles	5
Buildings and improvements	10-40
Land improvements	15-17

Fully depreciated assets are retained in the accounts until such assets are physically retired. Maintenance and repairs are charged to expenses as incurred.

Depreciation expense for fiscal years 2017 and 2016 was \$289,490 and \$245,975, respectively.

J. Receivables

Receivables are recorded at contract value less management's estimate for uncollectible amounts based on their experience relative to the total population of receivables.

K. Deferred Revenue

Grant advances for service contracts are recognized as revenue in the year the corresponding expense is incurred. Advances received for special events are recognized when the event takes place.

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Notes to Financial Statements
March 31, 2017 and 2016
(Continued)

2. General and Summary of Significant Accounting Policies (Continued)

L. Cash and Equivalents

COA considers all monies held in checking accounts, money market accounts, and cash on-hand, as cash and equivalents.

M. Estimates

The preparation of financial statements in conformity with U.S. 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 period. Actual results could differ from those estimates.

N. Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed, June 27, 2017. There were no events requiring inclusion or disclosure.

3. Income Tax Status

COA is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the code. In addition, COA has been determined by the Internal Revenue Service not to be a "private foundation" within the guidelines of 509(a) of the Code.

COA has implemented accounting for uncertainty in income taxes in accordance with accounting principles generally accepted in the United States of America. This standard describes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return and also provides guidance on various related matters such as derecognizing, interest, penalties and disclosure required. Management of COA evaluates the uncertain tax positions taken, if any, and consults with outside counsel as deemed necessary. COA recognizes interest and penalties, if any, related to unrecognized tax liabilities in income tax expense. Management does not believe there are any uncertain tax positions.

4. Potential Public Support Redetermination

COA has entered into certain contractual relationships with governmental agencies which provide, in part, for the potential audit and adjustment by the agencies of payments made to COA. No governmental audits or proposed adjustments of payments are pending at this time.

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Notes to Financial Statements
March 31, 2017 and 2016
(Continued)

5. Due from Governmental Grantors

Due from governmental grantors balance is summarized as follows:

	<u>2017</u>	<u>2016</u>
Child and Adult Care Food Program	\$ 21,693	\$ 22,339
MPS Twenty-First Century Community Learning Centers	163,509	151,420
MPS Drivers Education	6,630	79,560
Block Grants for Prevention and Treatment of Substance Abuse	8,231	5,324
Read to Lead	8,793	---
Empowering Families	---	21,875
Total	\$ 208,856	\$ 280,518

An allowance for doubtful receivables is not considered necessary.

6. Pledges Receivable

Unconditional promises are expected to be realized in the following periods:

	<u>2017</u>	<u>2016</u>
Capital Campaign:		
In one year or less	\$ 5,710	\$ 24,960
Between one year and five years	850	8,450
Less: Present value discount	(54)	(543)
Less: Allowance for uncollectible pledges	(219)	(2,158)
Total Capital Campaign	\$ 6,287	\$ 30,709
100 th Anniversary:		
In one year or less	\$ 26,803	\$ 56,409
Less: Allowance for uncollectible pledges	(911)	(564)
Total 100th Anniversary	\$ 25,892	\$ 55,845
Other (Operations or Programs):		
In one year or less	\$ 804,890	\$ 393,675
Between one year and five years	659,500	630,500
Less: Present value discount	(15,799)	(7,532)
Less: Allowance for uncollectible pledges	---	(777)
Total other	\$ 1,448,591	\$ 1,015,866

Conditional promises to give are recognized as pledges receivable and revenue in the period in which the conditions are substantially met. COA has no conditional promises to give that are required to be disclosed.

7. United Way Receivable

COA has a receivable due from the United Way in the amount of \$180,054 and \$182,435 at March 31, 2017 and 2016, respectively. United Way receivable represents \$161,304 and \$162,555 due from United Way's annual pledge of \$645,219 and \$650,229 for 2017 and 2016, respectively and \$18,750 and \$19,880 due from United Way's additional grants of \$173,580 and \$187,758, respectively. In accordance with U.S. GAAP, the United Way receivable is a temporarily restricted net asset.

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Notes to Financial Statements
March 31, 2017 and 2016
(Continued)

8. Investments

The following summarizes the classification of investments by classification and method of valuation in accordance with the requirements of accounting principles generally accepted in the United States of America for the year ending March 31, 2017:

	Fair Value			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Taxable Fixed Income:				
Intermediate-term bonds	\$ 452,036	\$ ---	\$ ---	\$ 452,036
Short-term bonds	98,500	---	---	98,500
Nontraditional bonds	166,815	---	---	166,815
Multisector bonds	260,933	---	---	260,933
Corporate Bonds	---	481,304	---	481,304
U.S. Treasury Notes	---	193,971	---	193,971
Domestic Equities:				
Small Cap	168,645	---	---	168,645
Mid Cap	343,594	---	---	343,594
Large Cap	1,892,159	---	---	1,892,159
Milwaukee Foundation	---	99,698	---	99,698
International Equities:				
Small Cap	152,498	---	---	152,498
Large Cap	851,923	---	---	851,923
Other Assets:				
Mixed assets	353,479	---	---	353,479
Other assets	119,333	---	---	119,333
Total	\$ 4,859,915	\$ 774,973	\$ ---	\$ 5,634,888

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Notes to Financial Statements
March 31, 2017 and 2016
(Continued)

8. Investments (Continued)

The following summarizes the classification of investments by classification and method of valuation in accordance with the requirements of accounting principles generally accepted in the United States of America for the year ending March 31, 2016:

	Fair Value			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Taxable Fixed Income:				
Intermediate-term bonds	\$ 492,262	\$ ---	\$ ---	\$ 492,262
Short-term bonds	98,777	---	---	98,777
Nontraditional bonds	153,004	---	---	153,004
Multisector bonds	115,726	---	---	115,726
Corporate Bonds	---	526,881	---	526,881
U.S. Treasury Notes	---	249,897	---	249,897
Domestic Equities:				
Small Cap	166,098	---	---	166,098
Large Cap	567,581	---	---	567,581
Exchange-Traded Funds	1,744,714	---	---	1,744,714
Milwaukee Foundation	---	93,720	---	93,720
International Equities:				
Small Cap	156,742	---	---	156,742
Large Cap	219,549	---	---	219,549
Exchange-Traded Funds	540,104	---	---	540,104
Other Assets:				
Mixed assets	337,593	---	---	337,593
Other assets	113,411	---	---	113,411
Total	\$ 4,705,561	\$ 870,498	\$ ---	\$ 5,576,059

There were no assets valued using level 3 valuations. The following table shows the gross unrealized gains and losses and estimated fair value of the investments.

	<u>2017</u>	<u>2016</u>
Cost	\$ 4,507,024	\$ 4,679,361
Cumulative unrealized gain	1,127,864	896,698
Market	\$ 5,634,888	\$ 5,576,059

The amount of investment expenses netted against investment income was \$24,361 and \$24,787 for the years ended March 31, 2017 and 2016, respectively.

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Notes to Financial Statements
March 31, 2017 and 2016
(Continued)

9. Milwaukee Foundation Funds

The Milwaukee Foundation is an independent organization established for the purpose of managing permanent funds which have been established to favor specific charitable agencies and institutions within the greater Milwaukee community. The Milwaukee Foundation maintains one endowment fund on behalf of COA, the Norm Adelman Staff Enhancement Fund.

The Board of Trustees of the Greater Milwaukee Foundation shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to a specified organization if, in the sole judgment of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community served.

The net investment activity on this Fund is considered unrealized gains/losses on investments for the purpose of the statements of cash flows since all of the activity is not readily identifiable.

The Fund is carried at fair value (Level 2). The Fund activity is summarized as follows:

Balance, March 31, 2015	\$ 99,987
Net activity – 2016	<u>(6,267)</u>
Balance, March 31, 2016	93,720
Net activity – 2017	<u>5,978</u>
Balance, March 31, 2017	<u>\$ 99,698</u>

10. Beneficial Interest in Trust

In 2017 a donor established with the Jewish Community Foundation (“JCF”) the COA Youth and Family Centers/Albert and Ann Deshur Memorial Endowment Fund. When these funds were established, the donor granted COA “variance power” which allows COA to modify the donor’s stipulations under certain circumstances as changes in community needs is monitored. In accordance with FASB Statement No. 136, “*Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*”, these assets belong to COA and should therefore be recorded on COA’s statement of financial position. Distributions from the trust to COA are for unrestricted purposes. The endowment investment was \$25,000 and \$-0- at March 31, 2017 and 2016, respectively.

In 2016 a donor established with JCF the Irving L. Chortek Charitable Fund in Memory of Robert and Jennie Chortek Donor Restricted Fund granting COA one-tenth of the net income and initial principal amount of the donation. The market value of COA’s proportionate share at the time of the donation was \$750,000. When these funds were established, the donor granted the governing board of JCF “variance power” which allows the governing board of JCF to modify the donor’s stipulations under certain circumstances as changes in community needs is monitored. In accordance with FASB Statement No. 136, “*Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*”, these assets do not belong to COA and should therefore not be recorded on COA’s statements of financial position. Distributions of \$75,000 and \$-0- for the years ending March 31, 2017 and 2016, respectively from the trust to COA are for unrestricted purposes. Total distributions from the trust to date is \$75,000.

11. Line-of-Credit

COA holds a \$500,000 line-of-credit. Interest accrues at LIBOR plus 3.000 percentage points. The note is secured by a general business security agreement. There was no balance owed on the line as of March 31, 2017 and 2016. No funds were borrowed on the line of credit during the years ended March 31, 2017 and 2016.

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Notes to Financial Statements
March 31, 2017 and 2016
(Continued)

12. Nature of Net Assets

The following summarizes the nature of net assets as of March 31, 2017:

	Board Designated	Temporarily Restricted	Permanently Restricted	2017 Total
Endowments:				
COA Next Generation Fund	\$ 1,440,990	\$ ---	\$ ---	\$ 1,440,990
Alice Bertschy Kadish Park Fund	---	48,145	1,000,000	1,048,145
Mel & Leila Goldin Fund	---	8,835	899,999	908,834
COA Staff Enhancement Fund	---	---	333,309	333,309
Bud & Sue Selig Fund	---	271,957	---	271,957
Scott & Peggy Sampson Family Fund	---	20,855	246,288	267,143
David & Julia Uihlein Fund	---	148,470	---	148,470
Carolyn F. Miller Fund – Camperships	1,064	13,504	84,519	99,087
James, Mary Anne and David Saltzstein Fund	8,383	15,689	49,807	73,879
Rose and Harry Samson Family Center Fund	---	10,352	80,000	90,352
Ethel Gill Fund – Camperships	---	6,253	33,890	40,143
Janet Hirshberg Krauskopf – Camperships	---	1,308	34,194	35,502
Alice Uhrig Boese Memorial Fund	---	2,888	25,000	27,888
Pearl Becker Fund – Youth Development	1,331	4,297	18,339	23,967
Gene & Ruth Posner Fund – Camperships	---	28,020	40,000	68,020
Gerald & Harriet Glasspiegel Campership Fund	---	1,204	17,671	18,875
Susie Stein and Children Fund – Camperships	---	1,351	15,100	16,451
Larry & Bobbi Polacheck Family Campership Fund	---	2,367	13,658	16,025
Barbara & Morty Blutstein and Grandchildren Campership Fund	---	765	11,213	11,978
Sally Kraus Child Care Fund - Scholarships	7,540	---	---	7,540
Charles A. Hays Fund – Camperships	---	697	7,630	8,327
TPS Scholarship Fund	---	3,696	---	3,696
Ernest F. and May Rice Memorial Fund – Camp	---	317	2,923	3,240
Ely Leighting and Sally Merrill Fund	45,992	---	---	45,992
Total endowments	1,505,300	590,970	2,913,540	5,009,810
Other Funds:				
Program Restrictions – 2017/2018 Activities	---	2,032,485	---	2,032,485
Capital Maint Reserve	29,133	---	---	29,133
David Previant Resource Center	---	2,040	---	2,040
Total other funds	29,133	2,034,525	---	2,063,658
Time Restrictions:				
Capital/Maintenance Reserve Fund	---	661,802	---	661,802
100th Anniversary Endowment Pledges	---	2,680	24,123	26,803
United Way	---	190,054	---	190,054
Milwaukee Foundation Norm Adelman Fund	---	---	99,698	99,698
CMR Goldin Clinic	---	54,426	---	54,426
Deschur Beneficial Interest	---	25,000	---	25,000
Other Time Restrictions	---	109,500	---	109,500
Total time restrictions	---	1,043,462	123,821	1,167,283
Undesignated	---	---	---	5,424,958
Total Net Assets	\$ 1,534,433	\$ 3,668,957	\$ 3,037,361	\$ 13,665,709

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Notes to Financial Statements
March 31, 2017 and 2016
(Continued)

12. Nature of Net Assets (Continued)

The following summarizes the nature of net assets as of March 31, 2016:

	Board Designated	Temporarily Restricted	Permanently Restricted	2016 Total
Endowments:				
COA Next Generation Fund	\$ 1,396,982	\$ ---	\$ ---	\$ 1,396,982
Alice Bertschy Kadish Park Fund	---	18,257	1,000,000	1,018,257
Mel & Leila Goldin Fund	---	8,399	899,999	908,398
COA Staff Enhancement Fund	---	---	323,805	323,805
Bud & Sue Selig Fund	---	288,845	---	288,845
Scott & Peggy Sampson Family Fund	---	13,617	219,643	233,260
David & Julia Uihlein Fund	---	144,236	---	144,236
Carolyn F. Miller Fund – Camperships	1,064	10,707	82,519	94,290
James and David Saltzstein Memorial Fund - Camp	8,383	13,584	49,712	71,679
Rose and Harry Samson Family Center Fund	---	8,061	60,000	68,061
Ethel Gill Fund – Camperships	---	5,115	33,390	38,505
Janet Hirshberg Krauskopf – Camperships	---	315	32,819	33,134
Alice Uhrig Boese Memorial Fund	---	2,093	25,000	27,093
Pearl Becker Fund – Youth Development	1,331	3,622	17,764	21,386
Gene & Ruth Posner Fund – Camperships	---	1,357	37,000	38,357
Gerald & Harriet Glasspiegel Campership Fund	---	666	17,671	18,337
Susie Stein and Children Fund – Camperships	---	882	15,100	15,982
Larry & Bobbi Polacheck Family Campership Fund	---	1,198	13,658	14,856
Barbara & Morty Blutstein and Grandchildren Campership Fund	---	423	11,213	11,636
Sally Kraus Child Care Fund - Scholarships	7,325	---	---	7,325
Charles A. Hays Fund – Camperships	---	472	6,795	7,267
TPS Scholarship Fund	---	3,591	---	3,591
Ernest F. and May Rice Memorial Fund – Camp	---	224	2,923	3,147
Ely Leichting and Sally Merrill Fund	42,643	---	---	42,643
Total endowments	1,457,728	525,664	2,849,011	4,832,403
Other Funds:				
Program Restrictions – 2015/2017 Activities	---	1,293,369	---	1,293,369
Capital Maint Reserve	9,753	---	---	9,753
David Previant Resource Center	---	2,575	---	2,575
Total other funds	9,753	1,295,943	---	1,305,697
Time Restrictions:				
Capital/Maintenance Reserve Fund	---	702,502	---	702,502
100th Anniversary Endowment Pledges	---	5,641	50,768	56,409
United Way	---	182,435	---	182,435
Milwaukee Foundation Norm Adelman Fund	---	---	93,720	93,720
CMR Goldin Clinic	---	49,747	---	49,747
Kitchen – Goldin Center	---	8,000	---	8,000
Other Time Restrictions	---	84,000	---	84,000
Total time restrictions	---	1,032,325	144,488	1,176,813
Undesignated	---	---	---	5,356,474
Total Net Assets	\$ 1,467,482	\$ 2,853,932	\$ 2,993,500	\$ 12,671,387

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Notes to Financial Statements
March 31, 2017 and 2016
(Continued)

13. Endowment Funds

COA has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, COA classifies as permanently restricted net assets (a) original value of gifts donated to COA's permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining position of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by COA in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, COA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of COA, and (7) COA's investment policies.

Investment Return Objectives, Risk Parameters and Strategies. COA's endowment funds are invested in a combination of bonds and equities and are under the direction of an investment committee. COA has adopted investment and spending policies, approved by the Board of Trustees, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term.

Spending Policy. The investment committee follows COA's investment policy which provides that approximately 4.5% of the rolling average of the endowment balances to be released and used for the intended donor purpose.

A reconciliation of COA's endowment activities are as follows:

	<u>Designated</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance, March 31, 2015	\$ 1,567,233	\$ 729,997	\$ 2,851,056	\$ 5,148,286
Investment income	(6,279)	157,301	---	151,022
Realized and unrealized (loss)	(17,159)	(200,657)	(11,095)	(228,911)
Contributions	---	---	9,050	9,050
Transfers to undesignated	(27,535)	(25,000)	---	(52,535)
Distributed	(58,532)	(135,977)	---	(194,509)
Balance, March 31, 2016	1,457,728	\$ 525,664	\$ 2,849,011	\$ 4,832,403
Investment income	48,223	50,661	---	98,884
Realized and unrealized gain	95,659	277,382	9,503	382,544
Contributions	2,067	---	28,380	30,447
Transfers to undesignated	---	(25,000)	---	(25,000)
Payments received on pledges	2,960	---	26,646	29,606
Distributed	(101,337)	(237,737)	---	(339,074)
Balance, March 31, 2017	\$ 1,505,300	\$ 590,970	\$ 2,913,540	\$ 5,009,810

14. Related-Party Transactions

COA's board includes a number of attorneys and from time-to-time the Organization may contact these board members for legal advice.

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Notes to Financial Statements
March 31, 2017 and 2016
(Continued)

15. Deferred-Contribution Plan

COA participates in a deferred-contribution plan administered by an independent third party. All employees are eligible without age and service requirements on the first payroll after hire.

An employee becomes eligible for the employer match and discretionary contribution with age 21 and 12 consecutive months of employment and with at least 1,000 hours worked. The plan year is January 1st through December 31st.

The employer's contribution plan matches the employee's contribution by 3/4 of the amount contributed by the employee up to a maximum of 2% of gross compensation. In addition, COA will contribute an amount to be determined by the employer each plan year. There was no such contribution for the years ended March 31, 2017 and 2016. COA's contribution for fiscal years 2017 and 2016 was \$18,714 and \$5,060, respectively.

16. Lease as Lessor

In January 2017, COA entered into a lease agreement with a telecommunications company, wherein COA has agreed to allow the use of COA property for the purpose of telecommunication relays. The initial term is an option year with a one-time payment for the first year, expiring in March 2018 with the option of the telecommunications company to exercise six five-year terms at the end of the initial year term. For the year ended March 31, 2018 \$24,000 is expected to be received. During the year ended March 31, 2017, COA received the following payments:

Signing bonus	\$ 2,000
Light allowance	<u>1,500</u>
Total	<u>\$ 3,500</u>

17. Concentrations

A. Credit Risk

Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. COA has never experienced any losses related to these balances.

B. Revenues

For fiscal year ended March 31, 2017, COA had received grant and pledge contributions that comprised a substantial portion of total revenue. The following are the contributors and the percent of total revenue:

Contributions:

	<u>2017</u>	<u>2016</u>
United Way	9.86%	12.84%
Doris Duke Charitable Foundation	0.00%	14.55%

Grants:

	<u>2017</u>	<u>2016</u>
Twenty-First Century Community Learning Centers	9.49%	10.87%

SUPPLEMENTAL INFORMATION

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Schedule of Unrestricted Revenue and Expenses by Program
Year Ended March 31, 2017

	<u>Early Childhood Education</u>	<u>Youth Development Programs</u>	<u>Family Support Services</u>	<u>Camping/ Conference</u>	<u>Community Services</u>	<u>Supporting Services</u>	<u>Total</u>
Revenue, Support and Releases:							
Contributions and grants	\$ 17,847	\$ 605,981	\$ 155,235	\$ 61,547	\$ 66,627	\$ 481,207	\$ 1,388,444
Contributions in-kind	56,797	145,869	6,795	2,543	200	138,350	350,554
Government grants:							
Child and Adult Care Food Program	205,967	---	---	---	---	---	205,967
Summer Food Service Program for Children	---	---	---	64,058	---	---	64,058
Community Development Block Grant Program	---	60,000	---	---	---	---	60,000
Twenty-First Century Community Learning Centers	---	---	---	---	787,385	---	787,385
Child Care Quality Improvement Center	3,875	---	---	---	---	---	3,875
Community Advocates AODA	---	29,489	---	---	---	---	29,489
City of Milwaukee Health Department	---	---	8,750	---	---	---	8,750
Department of children and family services	---	---	44,612	---	---	---	44,612
Driver's Education	---	30,810	---	---	---	---	30,810
Program service fees	1,869,023	245,436	---	91,508	56,279	---	2,262,246
Investment income	---	---	---	---	---	60,889	60,889
Loss on disposal of property and equipment	---	---	---	---	---	(5)	(5)
Miscellaneous revenue	1,158	25	1,794	3,127	8,581	7,145	21,830
United Way	70,751	195,354	223,689	75,366	---	63,585	628,745
Special events revenue	---	---	---	---	---	275,678	275,678
Special events expenses	---	---	---	---	---	(70,946)	(70,946)
Total revenue and support	2,225,418	1,312,964	440,875	298,149	919,072	955,903	6,152,381
Endowment income released	---	---	---	---	---	237,737	237,737
Net assets released from restrictions	82,772	211,493	358,235	47,039	675	218,316	918,530
Total revenue, support and releases	2,308,190	1,524,457	799,110	345,188	919,747	1,411,956	7,308,648
Expenses:							
Salaries	1,626,042	738,251	512,614	272,415	734,229	390,409	4,273,960
Payroll taxes	135,680	59,940	41,370	20,070	56,572	30,081	343,713
Pension expense	7,195	2,571	1,581	1,131	641	5,595	18,714
Other fringe benefits	142,374	48,042	44,674	13,575	26,830	34,455	309,950
Professional fees	50,317	154,701	14,975	21,446	85,654	109,159	436,252
Supplies	242,855	51,360	43,925	67,550	20,600	199	426,489
Computer maintenance	221	335	54	60	---	22	692
Telephone	11,923	7,749	9,363	2,890	98	1,743	33,766
Postage	1,615	773	490	685	26	1,248	4,837
Occupancy	82,199	159,809	18,851	68,647	6,995	7,842	344,343
Program expenses	5,158	307,124	57,893	8,355	16,896	---	395,426
Printing	1,998	4,096	375	1,645	456	6,415	14,985
Transportation	6,314	24,241	16,652	21,913	14,853	93	84,066
Marketing and advertising	1,543	42	34	125	1,258	150	3,152
Staff training and education	3,640	1,737	15,666	1,477	272	201	22,993
Membership dues	3,817	12,013	7,103	73	53	58	23,117
Contributions in-kind	12,660	133,656	6,795	2,543	200	28,333	184,187
Miscellaneous expenses	20,035	8,000	2,714	5,310	2,208	18,972	57,239
Bad debt expense	---	---	---	1,500	---	---	1,500
Total expenses before depreciation and allocation	2,355,586	1,714,440	795,129	511,410	967,841	634,975	6,979,381
Allocated administration expenses	192,633	80,800	47,224	13,516	1,586	(335,759)	---
Total expenses before depreciation and gains (losses) on investments	2,548,219	1,795,240	842,353	524,926	969,427	299,216	6,979,381
Total revenue over (under) expenses before depreciation and gain (loss) activity on investments	(240,029)	(270,783)	(43,243)	(179,738)	(49,680)	1,112,740	329,267
Realized and unrealized gain (loss) on investments	---	---	---	---	---	95,659	95,659
Depreciation	(100,174)	(138,170)	(5,135)	(21,121)	(22,723)	(2,167)	(289,490)
Total revenue over (under) expenses	\$ (340,203)	\$ (408,953)	\$ (48,378)	\$ (200,859)	\$ (72,403)	\$ 1,206,232	\$ 135,436

See Independent Auditors' Report.

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Schedule of Expenditures of Federal and State Awards
Year Ended March 31, 2017

	<u>CFDA#</u>	<u>State ID #</u>	<u>Pass-Through Entity Identifying Number(s)</u>	<u>Disbursements/ Expenditures Federal</u>	<u>Subrecipient Awards</u>
Federal Government Award Programs and Funding Agencies:					
Department of Agriculture:					
Passed through the State of Wisconsin Department of Public Instruction:					
Child and Adult Care Food Program	10.558		551	\$ 205,967	\$ ---
Summer Food Service Program for Children	10.559		586	64,058	---
Department of Housing and Urban Development:					
Passed through the City of Milwaukee					
Community Development Block Grant	14.218		CD31750441-100	60,000	---
Department of Transportation:					
Passed through the State of Wisconsin Department of Transportation:					
National Priority Safety Programs	20.616		FG-2016-COA Youth-03147	3,875	---
Department of Education:					
Passed through the State of Wisconsin Department of Public Instruction:					
Passed through Milwaukee Public Schools:					
Twenty-First Century Community Learning Centers	84.287		C022061 through C022067	405,654	---
Department of Health Services:					
Passed through the City of Milwaukee:					
Affordable Care Act Maternal, Infant, and Early Childhood Home Visiting Program	93.505		E0000012189	8,750	---
Passed through Milwaukee County:					
Passed through Community Advocates, Inc.:					
Block Grants for Prevention and Treatment of Substance Abuse	93.959		Unknown	29,489	---
				<u>777,793</u>	<u>---</u>
Total Federal Awards Programs				\$ 777,793	\$ ---
State Expenditures					
Department of Health Services:					
Passed through the State of Wisconsin Department of Children and Family Services:					
Read to Lead		437-4001		\$ 44,612	\$ ---
Total State Awards Programs				\$ 44,612	\$ ---

See independent auditors' report and accompanying notes to the schedule of expenditures for federal and state awards.

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Notes to the Schedule of Expenditures of Federal and State Awards
March 31, 2017

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards (“the Schedule”) includes the federal and state award activity of COA under programs of the federal government for the year ended March 31, 2017. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform 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. COA has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Thomas G. Wieland
David A. Grotkin
Joel A. Joyce
Brian J. Mechenich



Carrie A. Gindt
Patrick G. Hoffert
Jason J. Wrasse
Joshua T. Bierbach

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

Board of Directors
COA Youth and Family Centers
Milwaukee, Wisconsin

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 COA Youth and Family Centers (COA) (a nonprofit organization), which comprise the statement of financial position as of March 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 27, 2017.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether COA'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of COA'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 COA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

June 27, 2017
Milwaukee, Wisconsin

Thomas G. Wieland
David A. Grotkin
Joel A. Joyce
Brian J. Mechenich



Carrie A. Gindt
Patrick G. Hoffert
Jason J. Wrasse
Joshua T. Bierbach

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

Board of Directors
COA Youth and Family Centers
Milwaukee, Wisconsin

Report on Compliance for Each Major Federal Program

We have audited COA Youth and Family Centers (COA) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of COA's major federal programs for the year ended March 31, 2017. The COA's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of COA's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the COA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the COA's compliance.

Opinion on Each Major Federal Program

In our opinion, COA 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 March 31, 2017.

Report of Internal Control Over Compliance

Management of COA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered COA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of COA's 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 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, 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

June 27, 2017
Milwaukee, Wisconsin

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Schedule of Prior Audit Findings
Year Ended March 31, 2017

Reference Number: 2016-001 (For Year Ending March 31, 2016)

Description: Adjusting Journal Entries

Condition and Criteria: Statements on Auditing Standards AU§314.41 states that it is the responsibility of management to implement proper internal controls to provide reasonable assurance about the achievement of the entity's objectives with regard to the reliability of financial reporting. One audit adjustment to record one pledge receivable was required to prevent the Organization's financial statements from being misstated. The entry effected the financial statements, but did not have any impact on grant reporting or compliance.

Status: Corrective action taken.

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Schedule of Findings and Questioned Costs
Year Ended March 31, 2017

A. Summary of Auditors' Results

Financial Statements

- | | |
|--|------------|
| 1. Type of auditors' report issued on whether the financial statements audited were in accordance with GAAP: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Significant deficiency identified? | No |
| b. Material weaknesses identified? | No |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|------------|
| 4. Internal control over major programs: | |
| a. Significant deficiencies identified? | No |
| b. Material weaknesses identified? | No |
| 5. Type of auditors' report issued on compliance for major programs: | Unmodified |
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | None Noted |
| 7. Identification of major programs: | |
| > 84.287 – Twenty-First Century Community Learning | |
| 8. Dollar threshold used to distinguish between type A and type B programs: | \$ 750,000 |
| 9. Auditee qualified as low-risk auditee? | Yes |

B. Financial Statement Findings

None

C. Federal Findings

None