

**COA YOUTH AND FAMILY CENTERS**  
Milwaukee, Wisconsin

**Audited Financial Statements**  
Years Ended March 31, 2018 and 2017

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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

We have audited the accompanying financial statements of COA Youth and Family Centers ("COA") (a nonprofit organization), which comprise of the statements of financial position as of March 31, 2018 and 2017, 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 as of March 31, 2018 and 2017, 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* and the *State Single Audit Guidelines* as well is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements 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 6, 2018 on our consideration of COA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of COA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in COA's internal control over financial reporting and compliance.

June 6, 2018  
Milwaukee, Wisconsin

**COA YOUTH AND FAMILY CENTERS**

Milwaukee, Wisconsin

**Statements of Financial Position**

March 31, 2018 and 2017

<b>Assets:</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Cash and equivalents	\$ 1,011,301	\$ 899,536
Receivables:		
Due from government grantors	270,485	208,856
United Way	176,040	180,054
Childcare third party	44,227	115,012
Accounts receivable	73,663	63,640
Capital campaign pledges	1,906	6,287
100th anniversary pledges	---	25,892
Other pledges	741,909	1,448,591
Investments	5,852,942	5,535,190
Beneficial interest in trust	27,451	25,000
Prepaid expenses	52,654	75,582
Milwaukee Foundation Funds	106,989	99,698
Furniture and equipment	487,758	429,979
Vehicles	205,430	205,430
Buildings and improvements	6,952,847	6,888,041
Land and land improvements	1,169,087	1,169,087
Construction in progress	---	10,892
Less: Accumulated depreciation	<u>(3,799,632)</u>	<u>(3,503,108)</u>
<b>Total assets</b>	<b><u>\$ 13,375,057</u></b>	<b><u>\$ 13,883,659</u></b>
<b>Liabilities and Net Assets:</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 104,856	\$ 113,774
Accrued salaries	83,603	80,476
Payroll tax and related liabilities	11,653	12,727
Deferred revenue	4,780	10,973
<b>Total liabilities</b>	<u>204,892</u>	<u>217,950</u>
<b>Net Assets:</b>		
Unrestricted:		
Undesignated	5,292,757	5,424,958
Board designated	1,597,997	1,534,433
Temporarily restricted	3,221,748	3,668,957
Permanently restricted	3,057,663	3,037,361
<b>Total net assets</b>	<u>13,170,165</u>	<u>13,665,709</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 13,375,057</u></b>	<b><u>\$ 13,883,659</u></b>

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, 2018 and 2017

	2018				2017			
	<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>
<b>Revenue, Support and Releases:</b>								
Revenue and support:								
Contributions and grants	\$ 999,953	\$ 418,450	\$ 11,420	\$ 1,429,823	\$ 1,388,444	\$ 1,389,563	\$ 28,380	\$ 2,806,387
Contributions in-kind	201,606	---	---	201,606	350,554	---	---	350,554
Government grants	1,111,268	---	---	1,111,268	1,234,946	---	---	1,234,946
Program service fees	2,400,339	---	---	2,400,339	2,262,246	---	---	2,262,246
Investment income	67,192	128,113	---	195,305	60,889	104,788	---	165,677
Milwaukee Foundation net activity	---	---	7,291	7,291	---	---	5,978	5,978
Loss on disposal of property and equipment	(2,909)	---	---	(2,909)	(5)	---	---	(5)
Miscellaneous revenue	9,955	---	---	9,955	21,830	---	---	21,830
United Way allocation	588,283	176,039	---	764,322	628,745	190,054	---	818,799
Special events revenue	289,021	---	---	289,021	275,678	---	---	275,678
Special events expenses	(79,890)	---	---	(79,890)	(70,946)	---	---	(70,946)
Total revenue and support	5,584,818	722,602	18,711	6,326,131	6,152,381	1,684,405	34,358	7,871,144
Endowment income released	213,863	(213,863)	---	---	237,737	(237,737)	---	---
Net assets released from restrictions	1,243,058	(1,243,058)	---	---	918,530	(918,530)	---	---
<b>Total revenue, support and releases</b>	7,041,739	(734,319)	18,711	6,326,131	7,308,648	528,138	34,358	7,871,144
<b>Expenses:</b>								
<b>Program Services:</b>								
Early Childhood Education	2,455,786	---	---	2,455,786	2,455,760	---	---	2,455,760
Youth Development Programs	1,710,049	---	---	1,710,049	1,852,610	---	---	1,852,610
Family Support Services	834,887	---	---	834,887	800,264	---	---	800,264
Camping/Conference Center	510,418	---	---	510,418	532,531	---	---	532,531
Community Services	994,522	---	---	994,522	990,564	---	---	990,564
<b>Total program services</b>	6,505,662	---	---	6,505,662	6,631,729	---	---	6,631,729
<b>Supporting services:</b>								
Management and general	385,614	---	---	385,614	348,978	---	---	348,978
Fund-raising	307,040	---	---	307,040	288,164	---	---	288,164
<b>Total supporting services</b>	692,654	---	---	692,654	637,142	---	---	637,142
<b>Total program and supporting services</b>	7,198,316	---	---	7,198,316	7,268,871	---	---	7,268,871
Change in net assets from operations	(156,577)	(734,319)	18,711	(872,185)	39,777	528,138	34,358	602,273
<b>Realized and unrealized gain on investments</b>	87,940	287,110	1,591	376,641	95,659	286,887	9,503	392,049
<b>Change in net assets</b>	(68,637)	(447,209)	20,302	(495,544)	135,436	815,025	43,861	994,322
<b>Net Assets:</b>								
Beginning 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
End of year	\$ 6,890,754	\$ 3,221,748	\$ 3,057,663	\$ 13,170,165	\$ 6,959,391	\$ 3,668,957	\$ 3,037,361	\$ 13,665,709

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, 2018 and 2017

	2018					2017				
	Supporting Services				Total Program and Supporting Services Expenses	Supporting Services				Total Program and Supporting Services Expenses
Program Services	Management and General	Fund-Raising	Total	Program Services		Management and General	Fund-Raising	Total		
Salaries	\$ 3,875,122	\$ 208,756	\$ 187,419	\$ 396,175	\$ 4,271,297	\$ 3,883,551	\$ 199,572	\$ 190,837	\$ 390,409	\$ 4,273,960
Payroll taxes	320,394	16,275	15,903	32,178	352,572	313,632	14,597	15,484	30,081	343,713
Pension expense	16,366	3,267	2,346	5,613	21,979	13,119	3,318	2,277	5,595	18,714
Other fringe benefits	326,924	29,061	17,261	46,322	373,246	275,495	22,386	12,069	34,455	309,950
Professional fees	336,022	98,168	9,645	107,813	443,835	327,093	99,058	10,101	109,159	436,252
Supplies	406,883	120	117	237	407,120	426,290	66	133	199	426,489
Computer maintenance	11,344	49	457	506	11,850	670	7	15	22	692
Telephone	31,109	886	728	1,614	32,723	32,023	925	818	1,743	33,766
Postage	5,974	87	1,062	1,149	7,123	3,589	55	1,193	1,248	4,837
Occupancy	346,005	2,534	5,043	7,577	353,582	336,501	2,588	5,254	7,842	344,343
Program expenses	205,600	---	---	---	205,600	395,426	---	---	---	395,426
Printing	5,728	63	8,546	8,609	14,337	8,570	23	6,392	6,415	14,985
Transportation	90,011	26	59	85	90,096	83,973	30	63	93	84,066
Marketing and advertising	2,415	---	25	25	2,440	3,002	---	150	150	3,152
Staff training and advertising	15,941	17	225	242	16,183	22,792	71	130	201	22,993
Membership dues	18,270	20	20	40	18,310	23,059	11	47	58	23,117
Contributions in-kind	152,142	---	43,464	43,464	195,606	155,854	---	28,333	28,333	184,187
Miscellaneous expenses	39,853	26,285	8,945	35,230	75,083	38,267	6,271	12,701	18,972	57,239
Bad debt expense	820	---	3,200	3,200	4,020	1,500	---	---	---	1,500
Total expenses before depreciation and allocation	6,206,923	385,614	304,465	690,079	6,897,002	6,344,406	348,978	285,997	634,975	6,979,381
Depreciation	298,739	---	2,575	2,575	301,314	287,323	---	2,167	2,167	289,490
Total expenses before allocation	6,505,662	385,614	307,040	692,654	7,198,316	6,631,729	348,978	288,164	637,142	7,268,871
Allocated administration expenses	372,757	(385,614)	12,857	(372,757)	---	335,759	(348,978)	13,219	(335,759)	---
<b>Total expenses</b>	<b>\$ 6,878,419</b>	<b>\$ ---</b>	<b>\$ 319,897</b>	<b>\$ 319,897</b>	<b>\$ 7,198,316</b>	<b>\$ 6,967,488</b>	<b>\$ ---</b>	<b>\$ 301,383</b>	<b>\$ 301,383</b>	<b>\$ 7,268,871</b>

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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ (495,544)	\$ 994,322
<b>Adjustments to reconcile change in net assets to cash and equivalent provided by operating activities:</b>		
Depreciation	301,314	289,490
Realized and unrealized gain on investments	(376,641)	(392,049)
Milwaukee Foundation net activity	(7,291)	(5,978)
Loss on disposal of property and equipment	2,909	5
Endowment contributions	(11,420)	(28,380)
In-kind contributions of fixed assets	(6,000)	(131,046)
<b>Change in assets and liabilities:</b>		
Prepaid expenses	22,928	(18,572)
Receivables	740,102	(384,545)
Beneficial interest in trust	(2,451)	(25,000)
Accounts payable	(8,918)	(143,388)
Accrued salaries and payroll liabilities	2,053	29,335
Deferred revenue	(6,193)	2,914
<b>Net cash and equivalent provided by operating activities</b>	154,848	187,108
<b>Cash Flows from Investing Activities:</b>		
Purchase of property and equipment	(113,392)	(257,581)
Purchases of investments	(1,513,240)	(1,043,094)
Proceeds from sale of investments	1,572,129	1,382,290
<b>Net cash and equivalent (used) provided by investing activities</b>	(54,503)	81,615
<b>Cash Flows from Financing Activities:</b>		
Endowment contributions	11,420	28,380
<b>Net increase in cash and equivalents</b>	111,765	297,103
<b>Cash and equivalents, beginning of year</b>	899,536	602,433
<b>Cash and equivalents, end of year</b>	\$ 1,011,301	\$ 899,536
<b>Supplementary Disclosures:</b>		
Donated property and equipment	\$ 6,000	\$ 131,046

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, 2018

### 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 through 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 through 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 through 5) may also participate in COA's Home Instruction for Parents of Preschool Youngsters (HIPPOY), 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. Twelve-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, 2018  
(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 2018 and 2017 contributions in-kind were in the amounts of \$201,606 and \$350,554, respectively. In fiscal year 2018 and 2017 COA recorded expenses for contributed goods and services of \$195,606 and \$219,508, respectively. COA recorded equipment of \$6,000 and \$131,046 in 2018 and 2017, 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, 2018  
(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 2018 and 2017 were \$2,440 and \$3,152, 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>2018</u>	<u>2017</u>
Capital campaign pledges	2.75%	1.01%
Other pledges	2.27%	1.16%

**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, 2018  
(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, 2018 and 2017.

*Taxable fixed income, domestic and international equities 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 2018 and 2017 was \$301,314 and \$289,490, 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, 2018  
(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 6, 2018. 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.

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**5. Due from Governmental Grantors**

Due from governmental grantors balance is summarized as follows:

	<u>2018</u>	<u>2017</u>
Child and Adult Care Food Program	\$ 17,927	\$ 21,693
MPS Twenty-First Century Community Learning Centers	243,913	163,509
MPS Drivers Education	---	6,630
Block Grants for Prevention and Treatment of Substance Abuse	---	8,231
Read to Lead	---	8,793
MPS Youth Development	8,645	---
<b>Total</b>	<u>\$ 270,485</u>	<u>\$ 208,856</u>

An allowance for doubtful receivables is not considered necessary.

**6. Pledges Receivable**

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

	<u>2018</u>	<u>2017</u>
Capital Campaign:		
In one year or less	\$ 1,960	\$ 5,710
Between one year and five years	---	850
Less: Present value discount	---	(54)
Less: Allowance for uncollectible pledges	(54)	(219)
<b>Total Capital Campaign</b>	<u>\$ 1,906</u>	<u>\$ 6,287</u>
100 <sup>th</sup> Anniversary:		
In one year or less	\$ ---	\$ 26,803
Less: Allowance for uncollectible pledges	---	(911)
<b>Total 100<sup>th</sup> Anniversary</b>	<u>\$ ---</u>	<u>\$ 25,892</u>
Other (Operations or Programs):		
In one year or less	\$ 698,167	\$ 804,890
Between one year and five years	46,666	659,500
Less: Present value discount	(2,924)	(15,799)
<b>Total other</b>	<u>\$ 741,909</u>	<u>\$ 1,448,591</u>

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 \$176,040 and \$180,054 at March 31, 2018 and 2017, respectively. The United Way receivable represents \$157,290 and \$161,304 due from United Way's annual pledge of \$629,154 and \$645,219 for 2018 and 2017, respectively and \$18,750 and \$18,750 due from United Way's additional grants of \$128,861 and \$173,580, respectively. In accordance with U.S. GAAP, the United Way receivable is a temporarily restricted net asset. An allowance for doubtful receivables is not considered necessary.

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(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, 2018:

	<b>Fair Value</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Taxable Fixed Income:				
Intermediate-term bonds	\$ 313,712	\$ ---	\$ ---	\$ 313,712
Nontraditional bonds	272,175	---	---	272,175
Multisector bonds	277,420	---	---	277,420
Total taxable fixed income	863,307	---	---	863,307
Corporate Bonds	---	545,008	---	545,008
U.S. Treasury Notes	---	195,742	---	195,742
Domestic Equities:				
Small Cap	213,966	---	---	213,966
Mid Cap	376,254	---	---	376,254
Large Cap	1,953,197	---	---	1,953,197
Total domestic equities	2,543,417	---	---	2,543,417
Milwaukee Foundation	---	106,989	---	106,989
International Equities:				
Mid Cap	179,276	---	---	179,276
Large Cap	922,190	---	---	922,190
Total international equities	1,101,466	---	---	1,101,466
Other Assets:				
Mixed assets	421,041	---	---	421,041
Other assets	182,961	---	---	182,961
Total other assets	604,002	---	---	604,002
<b>Total</b>	<b>\$ 5,112,192</b>	<b>\$ 847,739</b>	<b>\$ ---</b>	<b>\$ 5,959,931</b>

**COA YOUTH AND FAMILY CENTERS**  
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(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, 2017:

	<b>Fair Value</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
<b>Taxable Fixed Income:</b>				
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
<b>Total fixed income</b>	<b>978,284</b>	<b>---</b>	<b>---</b>	<b>978,284</b>
Corporate Bonds	---	481,304	---	481,304
U.S. Treasury Notes	---	193,971	---	193,971
<b>Domestic Equities:</b>				
Small Cap	168,645	---	---	168,645
Mid Cap	343,594	---	---	343,594
Large Cap	1,892,159	---	---	1,892,159
<b>Total domestic equities</b>	<b>2,404,398</b>	<b>---</b>	<b>---</b>	<b>2,404,398</b>
Milwaukee Foundation	---	99,698	---	99,698
<b>International Equities:</b>				
Small Cap	152,498	---	---	152,498
Large Cap	851,923	---	---	851,923
<b>Total international equities</b>	<b>1,004,421</b>	<b>---</b>	<b>---</b>	<b>1,004,421</b>
<b>Other Assets:</b>				
Mixed assets	353,479	---	---	353,479
Other assets	119,333	---	---	119,333
<b>Total other assets</b>	<b>472,812</b>	<b>---</b>	<b>---</b>	<b>472,812</b>
<b>Total</b>	<b>\$ 4,859,915</b>	<b>\$ 774,973</b>	<b>\$ ---</b>	<b>\$ 5,634,888</b>

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.

	<b><u>2018</u></b>	<b><u>2017</u></b>
Cost	\$ 4,670,806	\$ 4,507,024
Cumulative unrealized gain	1,289,125	1,127,864
Market	<b><u>\$ 5,959,931</u></b>	<b><u>\$ 5,634,888</u></b>

The amount of investment expenses netted against investment income was \$25,990 and \$24,361 for the years ended March 31, 2018 and 2017, respectively.

**COA YOUTH AND FAMILY CENTERS**  
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**Notes to Financial Statements**  
March 31, 2018  
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**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 Fund is carried at fair value (Level 2). The Fund activity is summarized as follows:

Balance, March 31, 2016	\$ 93,720
Net activity – 2017	<u>5,978</u>
Balance, March 31, 2017	99,698
Net activity – 2018	<u>7,291</u>
Balance, March 31, 2018	\$ <u>106,989</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 \$27,451 and \$25,000 at March 31, 2018 and 2017, 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 \$125,000 and \$75,000 for the years ending March 31, 2018 and 2017, respectively from the trust to COA are for unrestricted purposes. Total distributions from the trust to date is \$200,000.

**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, 2018 and 2017. No funds were borrowed on the line of credit during the years ended March 31, 2018 and 2017.

**COA YOUTH AND FAMILY CENTERS**  
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**Notes to Financial Statements**  
March 31, 2018  
(Continued)

**12. Nature of Net Assets**

The following summarizes the nature of net assets as of March 31, 2018:

	<b>Board Designated</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>2018 Total</b>
<b>Endowments:</b>				
COA Next Generation Fund	\$ 1,494,001	\$ ---	\$ ---	\$ 1,494,001
Alice Bertschy Kadish Park Fund	---	86,705	1,000,000	1,086,705
Mel & Leila Goldin Fund	---	43,235	899,999	943,234
COA Staff Enhancement Fund	---	10,671	334,900	345,571
Bud & Sue Selig Fund	---	281,961	---	281,961
Scott & Peggy Sampson Family Fund	---	31,126	270,411	301,537
David & Julia Uihlein Fund	---	153,932	---	153,932
Edward, Carolyn and Kathryn Miller – Campership Fund	1,064	17,186	86,519	104,769
James, Mary Anne and David Saltzstein Fund	8,383	18,413	50,127	76,923
Rose and Harry Samson Family Center Fund	---	13,676	80,000	93,676
Ethel N. Gill Fund – Campership Fund	---	7,741	34,490	42,231
Janet Hirshberg Krauskopf – Campership Fund	---	2,651	36,194	38,845
Alice Uhrig Boese Memorial Fund	---	3,914	25,000	28,914
Pearl Becker Fund – Youth Development	1,331	5,189	18,889	25,409
Gene & Ruth Posner Fund – Camperships	---	29,631	42,500	72,131
Gerald & Harriet Glasspiegel Campership Fund	---	1,898	17,671	19,569
Susie Stein and Children Fund – Camperships	---	1,958	15,200	17,158
Larry & Bobbi Polacheck Family Campership Fund	---	2,967	15,658	18,625
Barbara & Morty Blutstein and Grandchildren Campership Fund	---	1,205	11,213	12,418
Sally Kraus Child Care Fund - Scholarships	8,327	---	---	8,327
Charles A. Hays Fund – Camperships	---	1,028	8,980	10,008
TPS Scholarship Fund	---	10,961	---	10,961
Ernest F. and May Rice Memorial Fund	---	436	2,923	3,359
Ely Leichtung and Sally Merrill Fund	49,899	---	---	49,899
Total endowments	1,563,005	726,484	2,950,674	5,240,163
<b>Other Funds:</b>				
Program Restrictions – 2017/2018 Activities	---	1,397,924	---	1,397,924
Capital Maint Reserve	34,992	---	---	34,992
David Previant Resource Center	---	2,041	---	2,041
Total other funds	34,992	1,399,965	---	1,434,957
<b>Time Restrictions:</b>				
Capital Maintenance Reserve Fund	---	652,204	---	652,204
United Way	---	176,040	---	176,040
Milwaukee Foundation Norm Adelman Fund	---	---	106,989	106,989
CMR Goldin Clinic	---	60,104	---	60,104
Deschur Beneficial Interest	---	27,451	---	27,451
Other Time Restrictions	---	179,500	---	179,500
Total time restrictions	---	1,095,299	106,989	1,202,288
<b>Undesignated</b>	---	---	---	5,292,757
<b>Total Net Assets</b>	<b>\$ 1,597,997</b>	<b>\$ 3,221,748</b>	<b>\$ 3,057,663</b>	<b>\$ 13,170,165</b>

**COA YOUTH AND FAMILY CENTERS**  
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**Notes to Financial Statements**  
March 31, 2018  
(Continued)

**12. Nature of Net Assets (Continued)**

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

	Board Designated	Temporarily Restricted	Permanently Restricted	2017 Total
<b>Endowments:</b>				
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
Edward, Carolyn, and Kathryn Miller – Campership Fund	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 N. Gill Fund – Campership Fund	---	6,253	33,890	40,143
Janet Hirshberg Krauskopf – Campership Fund	---	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	---	317	2,923	3,240
Ely Leichting and Sally Merrill Fund	45,992	---	---	45,992
Total endowments	1,505,300	590,970	2,913,540	5,009,810
<b>Other Funds:</b>				
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
<b>Time Restrictions:</b>				
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
<b>Undesignated</b>	---	---	---	5,424,958
<b>Total Net Assets</b>	<b>\$ 1,534,433</b>	<b>\$ 3,668,957</b>	<b>\$ 3,037,361</b>	<b>\$ 13,665,709</b>

**COA YOUTH AND FAMILY CENTERS**  
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**Notes to Financial Statements**  
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(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>
<b>Balance, March 31, 2016</b>	\$ 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)
<b>Balance, March 31, 2017</b>	<b>\$ 1,505,300</b>	<b>\$ 590,970</b>	<b>\$ 2,913,540</b>	<b>\$ 5,009,810</b>
Investment income	57,535	56,873	---	114,408
Realized and unrealized gain	87,940	285,519	1,591	375,050
Contributions	2,674	7,000	11,420	21,094
Payments received on pledges	---	---	24,123	24,123
Distributed	(90,444)	(213,878)	---	(304,322)
<b>Balance, March 31, 2018</b>	<b>\$ 1,563,005</b>	<b>\$ 726,484</b>	<b>\$ 2,950,674</b>	<b>\$ 5,240,163</b>

**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**  
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**Notes to Financial Statements**  
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**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 1<sup>st</sup> through December 31<sup>st</sup>.

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, 2018 and 2017. COA's contribution for fiscal years 2018 and 2017 was \$21,979 and \$18,714, 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. In October 2017, the telecommunications company exercised its right to opt out of the contract. Total payments received during the years ending March 31, 2018 and 2017 was \$-0- and \$3,500, respectively.

**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, 2018, 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><b>2018</b></u>	<u><b>2017</b></u>
United Way	11.21%	9.86%

**Grants:**

	<u><b>2018</b></u>	<u><b>2017</b></u>
Twenty-First Century Community Learning Centers	10.84%	9.49%

**SUPPLEMENTAL INFORMATION**

**COA YOUTH AND FAMILY CENTERS**  
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**Schedule of Unrestricted Revenue and Expenses by Program**  
Year Ended March 31, 2018

	<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>
<b>Revenue, Support and Releases:</b>							
Contributions and grants	\$ 55,960	\$ 258,352	\$ 114,626	\$ 46,685	\$ 52,296	\$ 472,034	\$ 999,953
Contributions in-kind	32,646	98,550	20,026	450	470	49,464	201,606
Government grants:							
Child and Adult Care Food Program	189,362	---	---	---	---	---	189,362
Summer Food Service Program for Children	---	---	---	63,291	---	---	63,291
Community Development Block Grant Program	---	90,000	---	---	---	---	90,000
Twenty-First Century Community Learning Centers	---	---	---	---	739,290	---	739,290
Child Care Quality Improvement Center	6,996	---	---	---	---	---	6,996
Community Advocates AODA	---	16,941	---	---	---	---	16,941
Department of Children and Family Services	---	---	5,388	---	---	---	5,388
Program service fees	1,934,581	281,902	---	103,186	80,220	450	2,400,339
Investment income	---	---	---	---	---	67,192	67,192
Loss on disposal of property and equipment	---	---	---	---	---	(2,909)	(2,909)
Miscellaneous revenue	314	1,643	500	2,706	1,984	2,808	9,955
United Way	46,757	186,706	218,892	75,770	---	60,158	588,283
Special events revenue	---	---	---	---	---	289,021	289,021
Special events expenses	---	---	---	---	---	(79,890)	(79,890)
<b>Total revenue and support</b>	<b>2,266,616</b>	<b>934,094</b>	<b>359,432</b>	<b>292,088</b>	<b>874,260</b>	<b>858,328</b>	<b>5,584,818</b>
Endowment income released	---	---	---	---	---	213,863	213,863
Net assets released from restrictions	66,519	521,786	438,664	35,323	26,950	153,816	1,243,058
<b>Total revenue, support and releases</b>	<b>2,333,135</b>	<b>1,455,880</b>	<b>798,096</b>	<b>327,411</b>	<b>901,210</b>	<b>1,226,007</b>	<b>7,041,739</b>
<b>Expenses:</b>							
Salaries	1,598,475	743,378	561,992	257,422	713,855	396,175	4,271,297
Payroll taxes	136,606	61,922	46,571	19,845	55,450	32,178	352,572
Pension expense	7,902	4,999	1,929	971	565	5,613	21,979
Other fringe benefits	172,974	54,144	55,004	12,196	32,606	46,322	373,246
Professional fees	41,594	163,073	17,089	23,247	91,019	107,813	443,835
Supplies	209,752	61,970	40,411	64,349	30,401	237	407,120
Computer maintenance	2,331	7,056	1,323	215	419	506	11,850
Telephone	11,601	7,344	8,329	3,614	221	1,614	32,723
Postage	2,758	1,214	951	998	53	1,149	7,123
Occupancy	87,983	155,271	21,551	73,511	7,689	7,577	353,582
Program expenses	5,775	153,033	19,228	10,555	17,009	---	205,600
Printing	548	3,568	601	513	498	8,609	14,337
Transportation	7,267	28,911	20,843	17,319	15,671	85	90,096
Marketing and advertising	795	11	109	---	1,500	25	2,440
Staff training and education	9,338	1,844	3,575	1,124	60	242	16,183
Membership dues	3,088	7,494	5,584	1,898	206	40	18,310
Contributions in-kind	32,646	98,550	20,026	450	470	43,464	195,606
Miscellaneous expenses	21,733	6,850	3,318	5,679	2,273	35,230	75,083
Bad debt expense	---	---	---	---	820	3,200	4,020
<b>Total expenses before depreciation and allocation</b>	<b>2,353,166</b>	<b>1,560,632</b>	<b>828,434</b>	<b>493,906</b>	<b>970,785</b>	<b>690,079</b>	<b>6,897,002</b>
Allocated administration expenses	204,843	80,823	54,690	28,493	3,908	(372,757)	---
<b>Total expenses before depreciation and gains on investments</b>	<b>2,558,009</b>	<b>1,641,455</b>	<b>883,124</b>	<b>522,399</b>	<b>974,693</b>	<b>317,322</b>	<b>6,897,002</b>
<b>Total revenue over expenses before depreciation and gains on investments</b>	<b>(224,874)</b>	<b>(185,575)</b>	<b>(85,028)</b>	<b>(194,988)</b>	<b>(73,483)</b>	<b>908,685</b>	<b>144,737</b>
Realized and unrealized gain on investments	---	---	---	---	---	87,940	87,940
Depreciation	(102,620)	(149,417)	(6,453)	(16,512)	(23,737)	(2,575)	(301,314)
<b>Total revenue over (under) expenses</b>	<b>\$ (327,494)</b>	<b>\$ (334,992)</b>	<b>\$ (91,481)</b>	<b>\$ (211,500)</b>	<b>\$ (97,220)</b>	<b>\$ 994,050</b>	<b>\$ (68,637)</b>

See Independent Auditors' Report.

**COA YOUTH AND FAMILY CENTERS**  
Milwaukee, Wisconsin

**Schedule of Expenditures of Federal and State Awards**  
Year Ended March 31, 2018

<u>CFDA#</u>	<u>State ID #</u>	<u>Pass-Through Entity Identifying Number(s)</u>	<u>Disbursements/ Expenditures Federal</u>	<u>Subrecipient Awards</u>
<b>Federal Government Award Programs and Funding</b>				
<b>Agencies:</b>				
<b>Department of Agriculture:</b>				
Passed through the State of Wisconsin Department of Public Instruction:				
Child Nutrition Cluster:				
Child and Adult Care Food Program	10.558	2017-406825-CCI-551	\$ 189,363	\$ ---
Summer Food Service Program for Children	10.559	2017-406825-Summer Food-586	63,291	---
<b>Total Department of Agriculture</b>			<u>252,654</u>	<u>---</u>
<b>Department of Housing and Urban Development:</b>				
Passed through the City of Milwaukee:				
Community Development Block Grant	14.218	C15117B143	90,000	---
<b>Department of Transportation:</b>				
Passed through the State of Wisconsin Department of Transportation:				
National Priority Safety Programs	20.616	FG-2016-COA-Yout-03148	6,996	---
<b>Department of Education:</b>				
Passed through the State of Wisconsin Department of Public Instruction:				
Passed through Milwaukee Public Schools:				
Twenty-First Century Community Learning Centers	84.287	C026648 through C026654	435,236	---
<b>Department of Health Services:</b>				
Passed through Milwaukee County:				
Passed through Community Advocates, Inc.:				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Unknown	16,941	---
<b>Total Federal Awards Programs</b>			<u>\$ 801,827</u>	<u>\$ ---</u>
<b>State Expenditures</b>				
<b>Department of Health Services:</b>				
Passed through the State of Wisconsin Department of Children and Family Services:				
Read to Lead	437-4001		\$ 5,388	\$ ---
<b>Total State Awards Programs</b>			<u>\$ 5,388</u>	<u>\$ ---</u>

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, 2018

**1. Basis of Presentation**

The accompanying "Schedule of Expenditures of Federal and State Awards" ("Schedule") includes the federal and state award activity of COA under programs of the federal and state government for the year ended March 31, 2018. 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") and the *Wisconsin State Single Audit Guidelines*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements. Because the schedule presents only a selected portion of the operations of COA, it is not intended to and does not present the net financial position, changes in net assets or cash flows of COA. All federal and state awards received directly from federal and state agencies as well as federal and state financial awards passed through other agencies are included on the schedule.

**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.

**3. Indirect Cost Rate**

COA has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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, 2018, 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 6, 2018.

**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 6, 2018  
Milwaukee, Wisconsin

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 AND THE WISCONSIN STATE SINGLE AUDIT GUIDE**

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, 2018. 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) and the *Wisconsin State Single Audit Guide*. Those standards, the Uniform Guidance and the *Wisconsin State Single Audit Guide* 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 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 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, 2018.

## 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 and the *Wisconsin State Single Audit Guide*, 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 and the *Wisconsin State Single Audit Guide*. Accordingly, this report is not suitable for any other purpose.

June 6, 2018  
Milwaukee, Wisconsin

**COA YOUTH AND FAMILY CENTERS**

Milwaukee, Wisconsin

**Schedule of Prior Audit Findings**

Year Ended March 31, March 31, 2018

No Audit Findings in Prior Year

**COA YOUTH AND FAMILY CENTERS**  
Milwaukee, Wisconsin

**Schedule of Findings and Questioned Costs**  
Year Ended March 31, March 31, 2018

**Section I: Summary of Auditors' Results**

**Financial Statements**

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

**Federal Awards**

- |   |            |
|---|------------|
| 4. Internal control over major programs:  |            |
| a. Material weakness(es) identified?  | No         |
| b. Significant deficiency(ies) identified?  | No         |
| 5. Type of auditors' report issued on compliance with major programs:   | Unmodified |
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance? | No         |
| 7. Dollar threshold used to distinguish between Type A and Type B programs:   |            |
| Federal   | \$ 750,000 |
| 8. Auditee qualified as low-risk auditee?   | Yes        |
| 9. Identification of major federal programs tested:   |            |

**CFDA Number(s)**

10.558

**Name of Federal Program or Cluster**

Child Nutrition Cluster

**Section II. Financial Statement Findings**

None

**Section III. Federal Findings**

None

**COA YOUTH AND FAMILY CENTERS**  
Milwaukee, Wisconsin

**Schedule of Findings and Questioned Costs**  
Year Ended March 31, March 31, 2018

**Section IV. Other Issues**

1. Does the auditors' report or the notes to the financial statements include a disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

2. Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *Wisconsin State Single Audit Guidelines*:  
  
Department of Health Services No

3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? Yes

4. Name and signature of partner \_\_\_\_\_  
Carrie A. Gindt

5. Date of Report June 6, 2018