

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Audited Financial Statements
Years Ended March 31, 2024 and 2023

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Independent Auditors' Report

Board of Directors
COA Youth and Family Centers
Milwaukee, Wisconsin

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of COA Youth and Family Centers ("COA") (a non profit organization), which comprise the statements of financial position as of March 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of COA as of March 31, 2024 and 2023, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of COA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of COA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about COA's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of without donor restriction revenues and expenses by program is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as 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 is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and other awards 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 August 7, 2024 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 considering COA's internal control over financial reporting and compliance.

Reilly Penner + Benton LLP

August 7, 2024
Milwaukee, Wisconsin

COA YOUTH AND FAMILY CENTERS

Milwaukee, Wisconsin

Statements of Financial Position

March 31, 2024 and 2023

| | <u>2024</u> | <u>2023</u> |
|---|----------------------|----------------------|
| Assets: | | |
| Cash and equivalents | \$ 511,397 | \$ 1,135,255 |
| Receivables: | | |
| Due from government grantors | 416,048 | 436,345 |
| Promises to give, net | 371,774 | 393,274 |
| United Way | 114,759 | 122,127 |
| Trade accounts receivable: | | |
| Childcare third party | 35,174 | 24,787 |
| Program service receivable | 150,018 | 120,971 |
| Less: Allowance for credit loss: | | |
| Trade accounts receivable, net | <u>185,192</u> | <u>145,758</u> |
| Total receivables | 1,087,773 | 1,097,504 |
| Investments | 7,531,038 | 7,091,621 |
| Beneficial interest in trust | 41,155 | 37,309 |
| Prepaid expenses | 58,099 | 125,142 |
| Milwaukee Foundation Funds | 120,315 | 109,393 |
| Finance right-of-use asset | 9,326 | 16,796 |
| Furniture and equipment | 686,489 | 630,662 |
| Vehicles | 335,924 | 305,397 |
| Buildings and improvements | 8,644,624 | 8,433,914 |
| Land and land improvements | 578,603 | 578,603 |
| Construction in progress | 14,645 | 101,514 |
| Less: Accumulated depreciation | <u>(5,694,071)</u> | <u>(5,351,746)</u> |
| Total assets | <u>\$ 13,925,317</u> | <u>\$ 14,311,364</u> |
| Liabilities and Net Assets: | | |
| Liabilities: | | |
| Accounts payable | \$ 166,755 | \$ 121,531 |
| Accrued salaries | 165,006 | 160,022 |
| Payroll tax and related liabilities | 13,158 | 12,755 |
| Deferred revenue | 2,909 | 3,635 |
| Finance lease liability | <u>9,477</u> | <u>16,943</u> |
| Total liabilities | 357,305 | 314,886 |
| Net Assets: | | |
| Without donor restriction: | | |
| Undesignated | 4,751,199 | 4,973,708 |
| Board designated | <u>2,571,239</u> | <u>2,361,712</u> |
| Total without donor restriction | 7,322,438 | 7,335,420 |
| With donor restriction | <u>6,245,574</u> | <u>6,661,058</u> |
| Total net assets | <u>13,568,012</u> | <u>13,996,478</u> |
| Total liabilities and net assets | <u>\$ 13,925,317</u> | <u>\$ 14,311,364</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, 2024 and 2023

| | 2024 | | | 2023 | | |
|--|------------------------------|---------------------------|------------------|------------------------------|---------------------------|------------------|
| | Without Donor Restriction | With Donor Restriction | Total | Without Donor Restriction | With Donor Restriction | Total |
| Revenue, Support and Releases: | | | | | | |
| Revenue and support: | | | | | | |
| Contributions and grants | \$ 949,805 | \$ 722,182 | \$ 1,671,987 | \$ 795,771 | \$ 1,198,201 | \$ 1,993,972 |
| Contributions of non-financial assets | 73,962 | -- | 73,962 | 150,518 | -- | 150,518 |
| Government grants | 1,384,497 | -- | 1,384,497 | 1,502,091 | -- | 1,502,091 |
| Program service fees | -- | -- | -- | 60,488 | -- | 60,488 |
| Investment activity: | 2,176,462 | -- | 2,176,462 | 2,490,524 | -- | 2,490,524 |
| Investment income, net | 20,153 | 164,440 | 184,593 | 93,424 | 187,804 | 281,228 |
| Milwaukee Foundation, net | -- | 10,922 | 10,922 | -- | (13,594) | (13,594) |
| Total investment activity | 20,153 | 175,362 | 195,515 | 93,424 | 174,210 | 267,634 |
| Loss on disposal of property and equipment | -- | -- | -- | (3,155) | -- | (3,155) |
| Miscellaneous revenue | 16,618 | -- | 16,618 | 13,725 | -- | 13,725 |
| United Way allocation | 112,478 | 459,045 | 571,523 | 68,911 | 511,008 | 579,919 |
| Gross special event revenue | 259,968 | -- | 259,968 | 126,875 | -- | 126,875 |
| Less cost of direct benefits to donors | (54,280) | -- | (54,280) | (87,736) | -- | (87,736) |
| Net special event revenue | 205,688 | -- | 205,688 | 39,139 | -- | 39,139 |
| Total revenue and support | 4,939,663 | 1,355,589 | 6,295,252 | 5,211,416 | 1,883,419 | 7,094,835 |
| Endowment income released | 359,543 | (359,543) | -- | -- | -- | -- |
| Net assets released from restrictions | 1,962,797 | (1,962,797) | -- | 2,284,956 | (2,284,956) | -- |
| Total revenue, support and releases | 7,262,003 | (966,751) | 6,295,252 | 7,496,372 | (401,537) | 7,094,835 |
| Expenses: | | | | | | |
| Program Services: | | | | | | |
| Early Childhood Development | 2,424,396 | -- | 2,424,396 | 2,298,972 | -- | 2,298,972 |
| Youth Development Programs | 1,598,555 | -- | 1,598,555 | 1,660,328 | -- | 1,660,328 |
| Family Centered Programs | 948,167 | -- | 948,167 | 1,060,838 | -- | 1,060,838 |
| Camping/Conference Center | 761,755 | -- | 761,755 | 673,499 | -- | 673,499 |
| Community Development | 957,725 | -- | 957,725 | 1,019,464 | -- | 1,019,464 |
| Total program services | 6,680,598 | -- | 6,680,598 | 6,713,101 | -- | 6,713,101 |
| Supporting services: | | | | | | |
| Management and general | 451,396 | -- | 451,396 | 387,367 | -- | 387,367 |
| Fund-raising | 464,422 | -- | 464,422 | 393,823 | -- | 393,823 |
| Total supporting services | 915,818 | -- | 915,818 | 781,190 | -- | 781,190 |
| Total program and supporting services | 7,596,416 | -- | 7,596,416 | 7,494,291 | -- | 7,494,291 |
| Change in net assets from operations | (334,413) | (966,751) | (1,300,164) | 2,081 | (401,537) | (399,456) |
| Realized and unrealized gain (loss) on investments | 321,431 | 550,267 | 871,698 | (230,184) | (486,746) | (716,930) |
| Change in net assets | (12,982) | (415,484) | (428,466) | (228,103) | (888,283) | (1,116,386) |
| Net Assets: | | | | | | |
| Beginning of year | 7,335,420 | 6,661,058 | 13,996,478 | 7,563,523 | 7,549,341 | 15,112,864 |
| End of year | \$ 7,322,438 | \$ 6,245,574 | \$ 13,568,012 | \$ 7,335,420 | \$ 6,661,058 | \$ 13,996,478 |

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, 2024 and 2023

| | <u>2024</u> | <u>2023</u> |
|--|-------------------|---------------------|
| Cash Flows from Operating Activities: | | |
| Change in net assets | \$ (428,466) | \$ (1,116,386) |
| Adjustments to reconcile change in net assets to cash and equivalent provided (used) by operating activities: | | |
| Depreciation | 342,325 | 319,468 |
| Realized and unrealized (gain) loss on investments | (871,698) | 716,930 |
| Milwaukee Foundation net activity | (10,922) | 13,594 |
| Loss on disposal of property and equipment | — | 3,155 |
| Endowment contributions | (26,700) | (17,650) |
| Amortization on right-of-use financing lease | 7,469 | 7,469 |
| Change in assets and liabilities: | | |
| Prepaid expenses | 67,043 | (66,588) |
| Receivables, net | 9,731 | 156,125 |
| Beneficial interest in trust | (3,846) | (645) |
| Accounts payable | 45,224 | 39,542 |
| Accrued salaries and payroll tax and related liabilities | 5,387 | 24,816 |
| Deferred revenue | (726) | (12,609) |
| Net cash and equivalent (used) provided by operating activities | <u>(865,179)</u> | <u>67,221</u> |
| Cash Flows from Investing Activities: | | |
| Purchase of property and equipment | (210,195) | (319,413) |
| Purchases of investments | (2,825,635) | (1,461,148) |
| Proceeds from sale of investments | 3,257,916 | 855,574 |
| Net cash and equivalent provided (used) by investing activities | <u>222,086</u> | <u>(924,987)</u> |
| Cash Flows from Financing Activities: | | |
| Line of credit draws | 110,000 | — |
| Line of credit repayments | (110,000) | — |
| Endowment contributions | 26,700 | 17,650 |
| Payment on financing right-of-use liability | (7,465) | (7,322) |
| Net cash provided by financing activities | <u>19,235</u> | <u>10,328</u> |
| Net decrease in cash and equivalents | <u>(623,858)</u> | <u>(847,438)</u> |
| Cash and equivalents, beginning of year | <u>1,135,255</u> | <u>1,982,693</u> |
| Cash and equivalents, end of year | <u>\$ 511,397</u> | <u>\$ 1,135,255</u> |
| Supplementary Disclosures: | | |
| Cash paid for interest | \$ 1,386 | \$ — |
| Donated securities | \$ 51,044 | \$ 50,493 |
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Operating cash flows from finance leases | \$ 232 | \$ 376 |
| Financing cash flows from finance leases | 7,466 | 7,322 |

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, 2024 and 2023

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 six 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 12 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 4 through 17 (18 if still in high school). 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 6 through 12 summer day activities including games, arts and crafts, field trips and much more. Programs operate at COA's Riverwest Center and Goldin Center; at COA's Community Learning Centers located at OW Holmes Elementary School, Auer 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 2 through 5) may also participate in COA's Home Instruction for Parents of Preschool Youngsters (HIPPY), 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. 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 6 through 12 summer day activities including games, 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 many other agencies such as the Hunger Task Force and MCFL to provide nutritious meals to the community, and the Dominican Center to provide adult education and community development. 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, 2024 and 2023
(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 are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of COA and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a quasi-endowment.

Net assets with donor restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resource be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

B. Cash and Equivalents

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

C. Investment Valuation and Income Recognition

The 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. The following is a description of the valuation methodologies used for assets measured at fair value.

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Notes to Financial Statements
March 31, 2024 and 2023
(Continued)

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

C. Investment Valuation and Income Recognition (Continued)

There have been no changes in the methodologies used at March 31, 2024 and 2023.

Domestic, global and non-traditional fixed income, domestic and international equities, private debt, real estate, mixed assets, common stock and hedge funds (2024): 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 and Beneficial Interest in Trust: Valued at the present value of the proportionate share of allocated assets.

Hedge funds (2023): Valued at the last closing estimated bid price (December 30, 2021) based on the number of shares held. COA cannot redeem its investment at fiscal year-end at that value.

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.

D. Trade Accounts Receivables and Allowance for Credit Loss

COA records receivables based on contract value less management's estimate for credit losses based on the following:

1. **Measurement of Expected Credit Losses:** COA estimates expected credit losses on trade receivables based on historical credit loss experience, current economic conditions, reasonable and supportable forecasts that affect the collectability of the trade receivables along with the likelihood that an account will transfer to county paid.
2. **Credit Risk Profile:** The credit risk profile of trade receivables is categorized based on credit quality indicators. COA uses this information to determine appropriate allowances for expected credit losses.
3. **Significant Judgments and Estimates:** The determination of expected credit losses involves significant judgments and estimates. Changes in economic conditions or payment behavior may impact the allowance for credit losses.
4. **Allowance for Credit Losses Changes:** There were no changes to the allowance for credit losses related to trade receivables for the years ended March 31, 2024 and 2023.

COA believes that the allowance for credit losses is appropriate based on the information available as of December 31, 2024. Receivables are reviewed periodically by management to determine the adequacy of the allowance for credit losses. There was no allowance for credit loss for the year ended March 31, 2024.

COA writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized as revenue or an offset to credit loss expense in the year of recovery, in accordance with COA's accounting policy election. There were no write-offs for the year ended March 31, 2024.

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Notes to Financial Statements
March 31, 2024 and 2023
(Continued)

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

E. Promises to Give

Promises to give are recorded at their estimated fair value, less an appropriate allowance. Promises to give are discounted to present value using the average prime rate for the fiscal year the promise was received. The blended discount rates for fiscal years 2024 and 2023 used was 4.23%.

F. Property and Equipment

Purchases of property and equipment of \$5,000 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 2024 and 2023 was \$342,325 and \$319,468, respectively.

G. Leases

COA leases equipment and determines if an arrangement is a lease at inception. Finance leases are included in finance lease right-of-use ("ROU") assets and finance lease liabilities on COA's statements of financial position.

The weighted-average discount rate is based on the discount rate implicit in the lease. COA has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable.

ROU assets represent COA's right to use an underlying asset for the lease term and lease liabilities represent COA's obligation to make lease payments arising from the lease. Finance lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The finance lease ROU asset also includes any lease payments made and excludes lease incentives. COA's lease terms may include options to extend or terminate the lease when it is reasonably certain that COA will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

H. 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, 2024 and 2023
(Continued)

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

I. Revenue Recognition

COA recognizes revenue based on the existence or absence of an exchange transaction. COA recognizes revenue from exchange transactions when it satisfies a performance obligation by providing a service to a customer or member or by transferring control over a product to a customer or member. Revenue from performance obligations satisfied at a point in time consists of the following:

- **Program service fees** – recognized as performance obligations (programming) are met

Revenue from non-exchange transactions consist of the following:

- **Contributions of cash and promises to give** - received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue and net assets without donor restriction. Unconditional contributions expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized at prime interest rate and is reported as contribution revenue. Conditional contributions depend on the occurrence of a specified future and uncertain event to bind the donor and are recognized as assets and revenue when the conditions are substantially met, and the gift becomes unconditional.
- **Contributions of non-financial assets** – COA receives various types of contributed goods and services support, professional services, facilities supplies, and equipment. 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 contributed non-financial assets are offset by like amounts included in assets and expenses.
- **Government grants** – Federal and state contracts are conditional upon the incurrence of allowable qualifying expenses. Revenue is recorded as allowable qualifying expenses are incurred.

Revenue that has characteristics of both exchange and non-exchange transactions consist of the following:

- **Special event revenue** – Gross special events revenue includes contributions for the events and fees charged to participants. The cost of direct benefits to donors are subtracted from this amount to arrive at net special event revenue.

J. 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
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Notes to Financial Statements
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(Continued)

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

K. Allocations

The allocation of administrative expenses is based on management's estimate of full-time equivalents.

L. Marketing and Advertising

COA expenses marketing and advertising in the period the expense is incurred. Marketing and advertising expense for fiscal year 2024 and 2023 were \$32,770 and \$23,877, respectively.

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. Changes in Accounting Principles

In June 2016, the FASB issued guidance FASB ASC 326, *Financial Instruments – Credit Losses* (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through changes in net assets. The most significant change in this standard is a shift from the incurred loss model to the expected loss model, that is referred to as the current expected credit loss ("CECL") methodology. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. COA has implemented the standard using the modified retrospective approach and has elected the practical expedient to not adjust the comparative periods presented in the financial statements. Financial assets held by COA that are subject to the guidance in FASB ASC 326 were trade accounts receivable.

COA has adopted the standard effective April 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

O. Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed, August 7, 2024. There were no events that require recognition 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 YOUTH AND FAMILY CENTERS
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Notes to Financial Statements
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(Continued)

3. Income Tax Status (Continued)

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 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. Liquidity and Availability

Financial assets available for general expenditure and other contractual obligations, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following at March 31:

| | <u>2024</u> | <u>2023</u> |
|--|---------------------|---------------------|
| Cash and equivalents | \$ 511,397 | \$ 1,135,255 |
| Investments | 7,531,038 | 7,091,621 |
| Milwaukee foundation funds | 120,315 | 109,393 |
| Due from government grantors | 416,048 | 436,345 |
| Trade accounts receivable, net | 185,192 | 145,758 |
| Promises to give and United Way, net | 486,533 | 515,401 |
| Total financial assets | <u>9,250,523</u> | <u>9,433,773</u> |
| Less amounts not available to be used within one year for general expenditures: | | |
| Endowment assets held in perpetuity | (3,159,489) | (3,121,867) |
| Donor restricted endowment assets | (1,499,158) | (1,212,213) |
| Board designated endowment assets | (1,872,341) | (1,750,416) |
| Add back: Subsequent year endowment distribution* | 285,000 | --- |
| Total endowments not available | <u>(6,245,988)</u> | <u>(6,084,496)</u> |
| Long-term promises to give, net | (10,374) | (179,274) |
| Not available to meet general expenditures within one year | <u>(6,256,362)</u> | <u>(6,263,770)</u> |
| Financial assets available to meet general expenditures within one year | <u>\$ 2,994,161</u> | <u>\$ 3,170,003</u> |

*See Note 15 for information regarding COA's distribution policy

COA receives significant contributions and promises to give that are restricted by donors and considers contributions restricted for programs which are ongoing, major and central to COA annual operations to be available to meet cash needs for general expenditures. COA manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

5. 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 currently.

COA YOUTH AND FAMILY CENTERS
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Notes to Financial Statements
March 31, 2024 and 2023
(Continued)

6. Due from Governmental Grantors

Due from governmental grantors balance is summarized as follows:

| | <u>2024</u> | <u>2023</u> |
|---|-------------------|-------------------|
| Child and Adult Care Food Program | \$ 9,105 | \$ 13,521 |
| MPS Twenty-First Century Community Learning Centers | 218,691 | 417,089 |
| Essex funding | 28,745 | — |
| Workforce Development | 157,507 | — |
| Community Development Grants | — | 5,735 |
| Total | <u>\$ 416,048</u> | <u>\$ 436,345</u> |

An allowance for doubtful receivables is not considered necessary.

7. Promises to Give

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

| | <u>2024</u> | <u>2023</u> |
|---|-------------------|-------------------|
| In one year or less | \$ 369,700 | \$ 216,000 |
| Between one year and five years | 20,000 | 205,000 |
| Less: Allowance for uncollectible pledges | (8,300) | (2,000) |
| Less: Present value discount | (9,626) | (25,726) |
| Total promises to give | <u>\$ 371,774</u> | <u>\$ 393,274</u> |

Conditional promises to give are recognized as promises to give 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.

8. United Way Receivable

COA has a receivable due from the United Way in the amount of \$114,759 and \$122,127 at March 31, 2024 and 2023, respectively. The United Way receivable represents \$114,759 and \$99,627 due from United Way's annual pledge of \$459,045 and \$488,508 for 2024 and 2023, respectively. The United Way receivable represents \$22,500 due from United Way's additional grants of \$45,000 for 2023. There was no additional grant or receivable for 2024. In accordance with U.S. GAAP, the United Way receivable is a net asset with donor restriction. An allowance for doubtful receivables is not considered necessary.

COA YOUTH AND FAMILY CENTERS
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Notes to Financial Statements
March 31, 2024 and 2023
(Continued)

9. 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 at March 31, 2024:

| | Fair Value | | | Exempt from Disclosure | Total |
|------------------------|---------------------|-------------------|---------------|------------------------------|---------------------|
| | Level 1 | Level 2 | Level 3 | | |
| Money market funds | \$ --- | \$ --- | \$ --- | \$ 97,794 | \$ 97,794 |
| Corporate bonds | --- | 556,171 | --- | --- | 556,171 |
| U.S. Treasury notes | --- | 381,406 | --- | --- | 381,406 |
| Domestic fixed income | 1,255,454 | --- | --- | --- | 1,255,454 |
| Global fixed income | 74,842 | --- | --- | --- | 74,842 |
| Domestic equities | 3,149,639 | --- | --- | --- | 3,149,639 |
| International equities | 1,128,096 | --- | --- | --- | 1,128,096 |
| Private debt | 299,981 | --- | --- | --- | 299,981 |
| Real estate | 456,410 | --- | --- | --- | 456,410 |
| Hedge funds | 131,245 | --- | --- | --- | 131,245 |
| Total | \$ 6,495,667 | \$ 937,577 | \$ --- | \$ 97,794 | \$ 7,531,038 |

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 at March 31, 2023:

| | Fair Value | | | Exempt from Disclosure | Total |
|-----------------------------------|---------------------|-------------------|---------------|------------------------------|---------------------|
| | Level 1 | Level 2 | Level 3 | | |
| Money market funds | \$ --- | \$ --- | \$ --- | \$ 18,163 | \$ 18,163 |
| Corporate bonds | --- | 474,899 | --- | --- | 474,899 |
| U.S. Treasury notes | --- | 242,737 | --- | --- | 242,737 |
| Domestic fixed income | 1,312,772 | --- | --- | --- | 1,312,772 |
| Global fixed income | 147,628 | --- | --- | --- | 147,628 |
| Non-traditional fixed income | 32,494 | --- | --- | --- | 32,494 |
| Domestic equities | 2,824,767 | --- | --- | --- | 2,824,767 |
| International equities | 1,044,905 | --- | --- | --- | 1,044,905 |
| Common stock – financial services | 371,995 | --- | --- | --- | 371,995 |
| Real estate | 275,518 | --- | --- | --- | 275,518 |
| Mixed assets | 344,951 | --- | --- | --- | 344,951 |
| Hedge funds | --- | --- | 792 | --- | 792 |
| Total | \$ 6,355,030 | \$ 717,636 | \$ 792 | \$ 18,163 | \$ 7,091,621 |

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on recurring basis using significant unobservable inputs (Level 3) for the years ended March 31, 2024 and 2023:

| | |
|-------------------------|--------|
| Balance, March 31, 2022 | \$ --- |
| Net activity – 2023 | 792 |
| Balance, March 31, 2023 | 792 |
| Net activity – 2024 | (792) |
| Balance, March 31, 2024 | \$ --- |

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Notes to Financial Statements
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(Continued)

9. Investments (Continued)

The following table shows the gross unrealized gains and losses and estimated fair value of the investments included in the above tables.

| | <u>2024</u> | <u>2023</u> |
|----------------------------|---------------------|---------------------|
| Cost | \$ 6,111,718 | \$ 6,629,393 |
| Cumulative unrealized gain | 1,419,320 | 462,228 |
| Market | <u>\$ 7,531,038</u> | <u>\$ 7,091,621</u> |

The amount of investment expenses netted against investment income was \$29,442 and \$27,069 for the years ended March 31, 2024 and 2023, respectively.

Money market funds are exempt from fair value disclosure due to investments being valued at amortized cost.

10. Milwaukee Foundation Funds

The Milwaukee Foundation is an independent organization established for the purpose of managing funds held in perpetuity 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, 2022 | \$ 122,987 |
| Net activity – 2023 | <u>(13,594)</u> |
| Balance, March 31, 2023 | 109,393 |
| Net activity – 2024 | <u>10,922</u> |
| Balance, March 31, 2024 | <u>\$ 120,315</u> |

The amount of investment expenses netted against net activity was \$1,081 and \$1,252 for the years ended March 31, 2024 and 2023, respectively. The amount of grant disbursements netted against net activity was \$4,528 and \$4,007 for the years ended March 31, 2024 and 2023, respectively.

11. 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 \$41,155 and \$37,309 at March 31, 2024 and 2023, respectively. The Fund is carried at fair value (Level 2).

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Notes to Financial Statements
March 31, 2024 and 2023
(Continued)

11. Beneficial Interest in Trust (Continued)

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 \$100,000 and \$85,000 were received for the years ending March 31, 2024 and 2023, respectively.

12. Leases

COA has finance leases for copiers. COA has remaining lease terms of 1 to 3 years. As of March 31, 2024 and 2023, assets recorded under finance leases were \$24,265, and accumulated amortization associated with finance leases were \$14,939 and \$7,469, respectively.

The components of lease expense were as follows:

| | <u>2024</u> | <u>2023</u> |
|-------------------------------------|-----------------|-----------------|
| Finance lease cost: | | |
| Amortization on right-of-use assets | \$ 7,469 | \$ 7,469 |
| Interest on lease liabilities | 232 | 376 |
| Total | <u>\$ 7,701</u> | <u>\$ 7,845</u> |

The weighted average remaining lease term and weighted average discount rate as of March 31, 2024 are as follows:

| | |
|---------------------------------------|------------|
| Weighted average remaining lease term | 2.61 years |
| Weighted average discount rate | 1.62% |

The weighted average remaining lease term and weighted average discount rate as of March 31, 2023 are as follows:

| | |
|---------------------------------------|------------|
| Weighted average remaining lease term | 3.00 years |
| Weighted average discount rate | 1.76% |

The maturities on lease liabilities at March 31, 2024 are as follows:

| | |
|--|-----------------|
| 2025 | \$ 4,145 |
| 2026 | 2,766 |
| 2027 | 2,766 |
| Total future minimum lease payments | <u>9,677</u> |
| Less present value discount | (200) |
| Total | <u>\$ 9,477</u> |

13. 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, 2024 and 2023. COA had interest expense of \$1,386 for the year ending March 31, 2024. No funds were borrowed on the line of credit during the year ended March 31, 2023.

COA YOUTH AND FAMILY CENTERS
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Notes to Financial Statements
Years Ended March 31, 2024 and 2023
(Continued)

14. Nature of Net Assets

The following summarizes the nature of net assets as of March 31, 2024:

| | With Donor Restriction | | | |
|---|------------------------|---------------------|---------------------|----------------------|
| | Board | Purpose or | Held in | 2024 |
| | Designated | Time Restricted | Perpetuity | Total |
| Endowments: | | | | |
| COA Next Generation Fund | \$ 1,789,992 | \$ --- | \$ --- | \$ 1,789,992 |
| Alice Bertschy Kadish Park Fund | --- | 302,002 | 1,000,000 | 1,302,002 |
| Mel & Leila Goldin Fund | --- | 261,531 | 899,999 | 1,161,530 |
| COA Staff Enhancement Fund | --- | 79,135 | 334,900 | 414,035 |
| Bud & Sue Selig Fund | --- | 337,823 | --- | 337,823 |
| Scott & Peggy Sampson Family Fund | --- | 90,866 | 270,411 | 361,277 |
| David & Julia Uihlein Fund | --- | 184,429 | --- | 184,429 |
| Edward, Carolyn and Kathryn Miller – Campership Fund | 1,064 | 38,330 | 88,519 | 127,913 |
| James, Mary Anne and David Saltzstein Fund | 8,383 | 33,673 | 50,227 | 92,283 |
| Rose and Harry Samson Family Center Fund | --- | 37,304 | 133,000 | 170,304 |
| Ethel N. Gill Fund – Campership Fund | --- | 16,226 | 35,290 | 51,516 |
| Janet Hirshberg Krauskopf – Campership Fund | --- | 11,244 | 44,944 | 56,188 |
| Alice Uhrig Boese Memorial Fund | --- | 9,642 | 25,000 | 34,642 |
| Pearl Becker Fund – Youth Development | 1,331 | 10,617 | 22,139 | 34,087 |
| Gene & Ruth Posner Fund – Camperships | --- | 15,058 | 57,500 | 72,558 |
| Gerald & Harriet Glasspiegel Campership Fund | --- | 5,775 | 17,671 | 23,446 |
| Susie Stein and Children Fund – Camperships | --- | 5,358 | 15,200 | 20,558 |
| Larry & Bobbi Polacheck Family Campership Fund | --- | 5,778 | 15,658 | 21,436 |
| Barbara & Morty Blutstein and Grandchildren Campership Fund | --- | 3,666 | 11,213 | 14,879 |
| Sally Kraus Child Care Fund – Scholarships | 9,976 | --- | --- | 9,976 |
| Charles A. Hays Fund – Camperships | --- | 3,480 | 14,580 | 18,060 |
| TPS Scholarship Fund | --- | 22,801 | --- | 22,801 |
| Heilbronner Fund | --- | 23,321 | --- | 23,321 |
| Ernest F. and May Rice Memorial Fund | --- | 1,099 | 2,923 | 4,022 |
| Ely Leichterling and Sally Merrell Fund | 61,595 | --- | --- | 61,595 |
| Total endowments | 1,872,341 | 1,499,158 | 3,039,174 | 6,410,673 |
| Other Funds: | | | | |
| Program Restrictions – 2024/2025 Activities | --- | 632,507 | --- | 632,507 |
| Capital Maint Reserve | 698,898 | --- | --- | 698,898 |
| David Previant Resource Center | --- | 2,075 | --- | 2,075 |
| Milwaukee Foundation Norm Adelman Fund | --- | --- | 120,315 | 120,315 |
| Total other funds | 698,898 | 634,582 | 120,315 | 1,453,795 |
| Time Restrictions: | | | | |
| Capital Maintenance Reserve Fund | --- | 372,323 | --- | 372,323 |
| United Way | --- | 114,759 | --- | 114,759 |
| CMR Goldin Clinic | --- | 81,629 | --- | 81,629 |
| Deschur Beneficial Interest | --- | 41,155 | --- | 41,155 |
| Other Time Restrictions | --- | 342,479 | --- | 342,479 |
| Total time restrictions | --- | 952,345 | --- | 952,345 |
| Undesignated | --- | --- | --- | 4,751,199 |
| Total Net Assets | \$ 2,571,239 | \$ 3,086,085 | \$ 3,159,489 | \$ 13,568,012 |

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Notes to Financial Statements
Years Ended March 31, 2024 and 2023
(Continued)

14. Nature of Net Assets (Continued)

The following summarizes the nature of net assets as of March 31, 2023:

| | Board Designated | With Donor Restriction | | 2023 Total |
|---|---------------------|----------------------------------|-----------------------|----------------------|
| | | Purpose or Time Restricted | Held in Perpetuity | |
| Endowments: | | | | |
| COA Next Generation Fund | \$ 1,674,383 | \$ --- | \$ --- | \$ 1,674,383 |
| Alice Bertschy Kadish Park Fund | --- | 217,911 | 1,000,000 | 1,217,911 |
| Mel & Leila Goldin Fund | --- | 186,512 | 899,999 | 1,086,511 |
| COA Staff Enhancement Fund | --- | 52,394 | 334,900 | 387,294 |
| Bud & Sue Selig Fund | --- | 316,004 | --- | 316,004 |
| Scott & Peggy Sampson Family Fund | --- | 67,533 | 270,411 | 337,944 |
| David & Julia Uihlein Fund | --- | 172,517 | --- | 172,517 |
| Edward, Carolyn and Kathryn Miller – Campership Fund | 1,064 | 30,068 | 88,519 | 119,651 |
| James, Mary Anne and David Saltzstein Fund | 8,383 | 27,712 | 50,227 | 86,322 |
| Rose and Harry Samson Family Center Fund | --- | 26,983 | 112,000 | 138,983 |
| Ethel N. Gill Fund – Campership Fund | --- | 12,908 | 34,990 | 47,898 |
| Janet Hirshberg Krauskopf – Campership Fund | --- | 7,683 | 42,844 | 50,527 |
| Alice Uhrig Boese Memorial Fund | --- | 7,405 | 25,000 | 32,405 |
| Pearl Becker Fund – Youth Development | 1,331 | 8,442 | 21,339 | 31,112 |
| Gene & Ruth Posner Fund – Camperships | --- | 10,453 | 55,000 | 65,453 |
| Gerald & Harriet Glasspiegel Campership Fund | --- | 4,261 | 17,671 | 21,932 |
| Susie Stein and Children Fund – Camperships | --- | 4,030 | 15,200 | 19,230 |
| Larry & Bobbi Polacheck Family Campership Fund | --- | 4,393 | 15,658 | 20,051 |
| Barbara & Morty Blutstein and Grandchildren Campership Fund | --- | 2,705 | 11,213 | 13,918 |
| Sally Kraus Child Care Fund - Scholarships | 9,332 | --- | --- | 9,332 |
| Charles A. Hays Fund – Camperships | --- | 2,314 | 14,580 | 16,894 |
| TPS Scholarship Fund | --- | 20,224 | --- | 20,224 |
| Heilbronner Fund | --- | 28,920 | --- | 28,920 |
| Ernest F. and May Rice Memorial Fund | --- | 841 | 2,923 | 3,764 |
| Ely Leichtling and Sally Merrell Fund | 55,923 | --- | --- | 55,923 |
| Total endowments | 1,750,416 | 1,212,213 | 3,012,474 | 5,975,103 |
| Other Funds: | | | | |
| Program Restrictions – 2023/2024 Activities | --- | 1,242,904 | --- | 1,242,904 |
| Capital Maint Reserve | 611,296 | --- | --- | 611,296 |
| David Previant Resource Center | --- | 2,075 | --- | 2,075 |
| Milwaukee Foundation Norm Adelman Fund | --- | --- | 109,393 | 109,393 |
| Total other funds | 611,296 | 1,244,979 | 109,393 | 1,965,668 |
| Time Restrictions: | | | | |
| Capital Maintenance Reserve Fund | --- | 437,395 | --- | 437,395 |
| United Way | --- | 122,127 | --- | 122,127 |
| CMR Goldin Clinic | --- | 71,398 | --- | 71,398 |
| Deschur Beneficial Interest | --- | 37,309 | --- | 37,309 |
| Other Time Restrictions | --- | 413,770 | --- | 413,770 |
| Total time restrictions | --- | 1,081,999 | --- | 1,081,999 |
| Undesignated | --- | --- | --- | 4,973,708 |
| Total Net Assets | \$ 2,361,712 | \$ 3,539,191 | \$ 3,121,867 | \$ 13,996,478 |

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Notes to Financial Statements
March 31, 2024 and 2023
(Continued)

14. Nature of Net Assets (Continued)

Net assets released from donor restriction consist of the following at March 31:

| | <u>2024</u> | <u>2023</u> |
|---|---------------------|---------------------|
| Satisfaction of purpose restriction | \$ 1,476,900 | \$ 1,795,656 |
| Satisfaction of time restriction | 485,897 | 489,300 |
| Total net assets released from restriction | <u>\$ 1,962,797</u> | <u>\$ 2,284,956</u> |

15. Endowment Funds

COA's endowment consists of approximately 25 individual funds established for the sustainability of operational needs. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

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 net assets held in perpetuity (a) original value of gifts donated to COA's perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual 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 net assets held in perpetuity is classified as purpose or time 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.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). COA has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no underwater funds for the year ended March 31, 2024 and 2023.

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 are to be released and used for the intended donor purpose.

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Notes to Financial Statements
March 31, 2024 and 2023
(Continued)

15. Endowment Funds (Continued)

Endowment Net Asset Composition by Type of Fund as of March 31, 2024 is as follows:

| | <u>Without Donor Restriction</u> | <u>With Donor Restriction</u> | | | <u>Total Endowment Funds</u> |
|--------------------------------------|--|-------------------------------|-----------------------------|---------------------|--------------------------------------|
| | | <u>Other Funds</u> | <u>Underwater Funds</u> | <u>Total</u> | |
| Donor-restricted gifts in perpetuity | \$ --- | \$ 3,039,174 | \$ --- | \$ 3,039,174 | \$ 3,039,174 |
| Donor-restricted gifts | --- | 1,499,158 | --- | 1,499,158 | 1,499,158 |
| Board-designated | 1,872,341 | --- | --- | --- | 1,872,341 |
| Total funds | \$ 1,872,341 | \$ 4,538,332 | \$ --- | \$ 4,538,332 | \$ 6,410,673 |

Endowment Net Asset Composition by Type of Fund as of March 31, 2023 is as follows:

| | <u>Without Donor Restriction</u> | <u>With Donor Restriction</u> | | | <u>Total Endowment Funds</u> |
|--------------------------------------|--|-------------------------------|-----------------------------|---------------------|--------------------------------------|
| | | <u>Other Funds</u> | <u>Underwater Funds</u> | <u>Total</u> | |
| Donor-restricted gifts in perpetuity | \$ --- | \$ 3,012,474 | \$ --- | \$ 3,012,474 | \$ 3,012,474 |
| Donor-restricted gifts | --- | 1,212,213 | --- | 1,212,213 | 1,212,213 |
| Board-designated | 1,750,416 | --- | --- | --- | 1,750,416 |
| Total funds | \$ 1,750,416 | \$ 4,224,687 | \$ --- | \$ 4,224,687 | \$ 5,975,103 |

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

| | <u>Board Designated</u> | <u>With Donor Restriction</u> | | <u>Total</u> |
|--------------------------------|-----------------------------|---|-------------------------------|---------------------|
| | | <u>Purpose or Time Restricted</u> | <u>Held in Perpetuity</u> | |
| Balance, March 31, 2022 | \$ 1,856,476 | \$ 1,469,895 | \$ 2,994,824 | \$ 6,321,195 |
| Investment activity, net | (106,060) | (257,682) | --- | (363,742) |
| Contributions | --- | --- | 17,650 | 17,650 |
| Distributed * | --- | --- | --- | --- |
| Balance, March 31, 2023 | \$ 1,750,416 | \$ 1,212,213 | \$ 3,012,474 | \$ 5,975,103 |
| Investment activity, net | 264,832 | 646,488 | --- | 911,320 |
| Contributions | 1,750 | --- | 26,700 | 28,450 |
| Distributed | (144,657) | (359,543) | --- | (504,200) |
| Balance, March 31, 2024 | \$ 1,872,341 | \$ 1,499,158 | \$ 3,039,174 | \$ 6,410,673 |

*During 2022, the board approved suspending the distribution for 2023.

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Notes to Financial Statements
March 31, 2024 and 2023
(Continued)

16. Contributed Nonfinancial Assets

Contributed nonfinancial assets of non-cash supplies and services are recorded as revenue and expenses at their fair value. The amounts reflected in the accompanying financial statements as contributed nonfinancial assets are offset by like amounts included in expenses, receivables or as additions to property and equipment. The statement of activities includes the following contributed nonfinancial assets recognized by category for the years ended March 31:

| <u>Type</u> | <u>Revenue Recognized</u> | | <u>Utilization in Program/Activities</u> | <u>Donor Restrictions</u> |
|-----------------------------|---------------------------|-------------|--|-------------------------------|
| | <u>2024</u> | <u>2023</u> | | |
| Food: | | | | |
| Federally funded | \$ — | \$ 39,095 | Pantry/Youth | None |
| Nonfederal funds | 11,971 | — | ECE/Community | None |
| Nonfederal funds | — | 45,753 | Pantry/Youth | None |
| Total food | 11,971 | 84,848 | | |
| Clothing | — | 31,355 | Pantry/Youth/ECE | None |
| Clothing | 7,240 | — | Family/Admin | None |
| Household items | — | 8,140 | Pantry/Youth | None |
| Videography services | — | 4,000 | Development | None |
| Events and recreation | — | 8,470 | Youth | None |
| Events and recreation | 8,328 | — | Admin | None |
| Toys | 42,295 | — | Family Centered | None |
| Office supplies | — | 1,130 | Administrative | None |
| Program supplies | 3,030 | 1,550 | Camping/Family/ECE | None |
| Field restoration | 1,098 | — | Community | None |
| Capitalized equipment: | | | | |
| Federally funded | — | 60,448 | Childcare/Youth | None |
| Nonfederal funds | — | 11,044 | Childcare/Youth | None |
| Total capitalized equipment | — | 71,492 | | |
| Total revenue | \$ 73,962 | \$ 210,986 | | |

COA used the following valuation techniques and inputs to recognize contributed nonfinancial assets:

Capitalized equipment – Valued at the fair value provided by the donor.

Events and recreation – Valued at the estimated fair value based on rates published for similar event or recreational fees.

Professional services, food, clothing, supplies, toys, field restoration and household items – Valued at the estimated fair value based on retail rates for similar services.

A substantial number of volunteers have donated time to COA's program services and fund-raising campaigns during the year. These donated services are not reflected in the financial statements since the services do not require specialized skills and do not meet the requirements of U.S. GAAP.

17. Related-Party Transactions

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

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Notes to Financial Statements
March 31, 2024 and 2023
(Continued)

18. 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, 2024 and 2023. COA's contribution for fiscal years 2024 and 2023 was \$22,242 and \$26,730, respectively.

19. Special Events

Special event activities are netted on the statements of activities. Special event revenues and expenses for the years ended March 31 are as follows:

| | <u>2024</u> | <u>2023</u> |
|---------------------------------------|-------------------|------------------|
| Special events revenue, gross | \$ 259,968 | \$ 126,875 |
| Less cost of direct benefit to donors | <u>(54,280)</u> | <u>(87,736)</u> |
| Special event revenue, net | 205,688 | 39,139 |
| Less other non-direct expenses | <u>(67,212)</u> | <u>(12,977)</u> |
| Special events, net | <u>\$ 138,476</u> | <u>\$ 26,162</u> |

20. 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

Approximately 10% of COA's revenue was from the CLC program for the year ended March 31, 2024. There was no revenue concentration for the year ended March 31, 2023.

21. Risks and Uncertainties

COA has investments in various equities. These investment securities are exposed to various risks of loss such as market and credit risks. Due to the level of risk associated with these investment securities, it is at least reasonably possible that changes in value of these investment securities will occur in the near term and those changes could materially affect the amounts reported on the statements of financial position.

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Notes to Financial Statements
March 31, 2024 and 2023
(Continued)

22. Indemnifications

There is one medical claim against COA that was closed during the year ending March 31, 2024. Settlement in the case was covered by the insurance provider. There is a separate active medical claim against COA in which the insurance provider is covering all attorney fees.

23. Reclassification

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

SUPPLEMENTARY INFORMATION

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Schedule of Without Donor Restriction Revenue and Expenses by Program
Year Ended March 31, 2024

| | Early Childhood Development | Youth Development Programs | Family Centered Programs | Camping/ Conference | Community Development | Supporting Services | Total |
|--|-----------------------------------|----------------------------------|--------------------------------|------------------------|--------------------------|------------------------|-------------|
| Revenue, Support and Releases: | | | | | | | |
| Contributions and grants | \$ 50,005 | \$ 121,700 | \$ 208,035 | \$ 26,395 | \$ 13,134 | \$ 530,538 | \$ 949,805 |
| Contributions of non-financial assets | 15,897 | 10,008 | 42,464 | 1,400 | 3,293 | 900 | 73,962 |
| Government grants: | | | | | | | |
| Child and Adult Care Food Program | 124,105 | — | — | — | — | — | 124,105 |
| Summer Food Service Program for Children | 36,050 | — | — | 6,047 | — | — | 42,097 |
| Community Development Block Grant Program | — | 60,000 | — | — | — | — | 60,000 |
| Workforce Innovation | 159,507 | — | — | — | — | — | 159,507 |
| Violence Prevention | — | 58,316 | — | — | — | — | 58,316 |
| Twenty-First Century Community Learning Centers | — | — | — | — | 746,224 | — | 746,224 |
| Safety Grant | 9,411 | 184,837 | — | — | — | — | 194,248 |
| Program service fees | 1,540,418 | 415,948 | 300 | 115,361 | 104,435 | — | 2,176,462 |
| Investment income, net | — | — | — | — | — | 20,153 | 20,153 |
| Miscellaneous revenue | 3,029 | 5,886 | 4,100 | — | 911 | 1,692 | 16,618 |
| United Way | — | — | — | — | — | 112,478 | 112,478 |
| Gross special event revenue | — | — | — | — | — | 259,968 | 259,968 |
| Less cost of direct benefits to donors | — | — | — | — | — | (54,280) | (54,280) |
| Net special event revenue | — | — | — | — | — | 205,688 | 205,688 |
| Total revenue and support | 1,938,422 | 857,655 | 254,899 | 149,201 | 867,997 | 871,449 | 4,939,663 |
| Endowment income released | — | — | — | — | — | 359,543 | 359,543 |
| Net assets released from restrictions | 193,679 | 574,990 | 574,177 | 123,802 | — | 496,149 | 1,962,797 |
| Total revenue, support and releases | 2,132,101 | 1,432,645 | 829,076 | 273,003 | 867,997 | 1,727,141 | 7,262,003 |
| Expenses: | | | | | | | |
| Salaries | 1,460,687 | 712,189 | 632,247 | 341,225 | 673,502 | 461,339 | 4,281,189 |
| Payroll taxes | 123,566 | 53,229 | 53,002 | 25,426 | 50,923 | 34,609 | 340,755 |
| Pension expense | 9,359 | 2,927 | 4,014 | 1,611 | 1,421 | 2,910 | 22,242 |
| Other fringe benefits | 133,775 | 58,673 | 55,195 | 22,188 | 25,813 | 39,348 | 334,992 |
| Professional fees | 80,917 | 172,669 | 18,903 | 109,501 | 49,385 | 228,525 | 659,900 |
| Supplies | 218,013 | 108,210 | 22,385 | 69,633 | 111,071 | 6,423 | 535,735 |
| Computer maintenance | 3,100 | 1,592 | 500 | 461 | — | 1,336 | 6,989 |
| Telephone | 8,985 | 5,800 | 12,443 | 4,558 | 666 | 1,779 | 34,231 |
| Postage | 173 | 10 | 10 | 144 | — | — | 337 |
| Occupancy | 192,266 | 191,215 | 44,476 | 108,115 | 5,678 | 24,391 | 566,141 |
| Interest | 719 | 214 | 174 | 169 | 14 | 329 | 1,619 |
| Program expenses | 7,182 | 38,424 | 1,043 | — | 2,305 | — | 48,954 |
| Printing | 1,300 | 592 | 1,362 | 2,049 | 142 | 6,668 | 12,113 |
| Transportation | 6,362 | 26,806 | 21,947 | 22,665 | 4,928 | 1,548 | 84,256 |
| Marketing and advertising | 1,157 | 12,370 | 8,100 | — | — | 11,143 | 32,770 |
| Staff training and education | 56,758 | 2,173 | 6,513 | 2,191 | 2,079 | 589 | 70,303 |
| Membership dues | 5,683 | 635 | 665 | 2,102 | 28 | 792 | 9,905 |
| Utilization of non-financial assets | 15,897 | 10,008 | 42,464 | 1,400 | 3,293 | 900 | 73,962 |
| Operating lease | — | — | — | — | — | 7,469 | 7,469 |
| Miscellaneous expenses | 17,123 | 4,817 | 16,737 | 6,042 | 2,905 | 76,305 | 123,929 |
| Bad debt expense | — | — | — | — | — | 6,300 | 6,300 |
| Total expenses before depreciation and allocation | 2,343,022 | 1,402,553 | 942,180 | 719,480 | 934,153 | 912,703 | 7,254,091 |
| Allocated administration expenses | 234,123 | 79,913 | 55,297 | 54,440 | 4,511 | (429,284) | — |
| Total expenses before nonoperating gains and losses | 2,577,145 | 1,482,466 | 998,477 | 773,920 | 938,664 | 483,419 | 7,254,091 |
| Total revenue over expenses before nonoperating gains and losses | (445,044) | (49,781) | (169,401) | (500,917) | (70,667) | 1,243,722 | 7,912 |
| Nonoperating Gains and Losses: | | | | | | | |
| Realized and unrealized gain on investments | — | — | — | — | — | 321,431 | 321,431 |
| Depreciation | (81,374) | (186,002) | (5,987) | (42,275) | (23,572) | (3,115) | (342,325) |
| Total nonoperating Gains and Losses: | (81,374) | (186,002) | (5,987) | (42,275) | (23,572) | 318,316 | (20,894) |
| Total revenue over (under) expenses | \$ (526,418) | \$ (235,783) | \$ (175,388) | \$ (543,192) | \$ (94,239) | \$ 1,562,038 | \$ (12,982) |

See Independent Auditors' Report.

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Schedule of Expenditures of Federal Awards
Year Ended March 31, 2024

| | <u>Assistance Listing #</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 | 2024-406825-DPI-AR-551 | \$ 124,105 | \$ --- |
| Child Nutrition Cluster: | | | | |
| Summer Food Service Program for Children | 10.559 | 2024-406825-DPI-SFSP-586 | 42,097 | --- |
| Total Department of Agriculture | | | <u>166,202</u> | <u>---</u> |
| Department of Housing and Urban Development: | | | | |
| Passed through the City of Milwaukee: | | | | |
| Community Development Block Grant Entitlement Cluster: | | | | |
| Community Development Block Grant | 14.218 | C151238143 | 60,000 | --- |
| Department of Transportation: | | | | |
| Passed through the State of Wisconsin Department of Transportation: | | | | |
| Highway Safety Cluster: | | | | |
| National Priority Safety Programs | 20.616 | Not applicable | 9,411 | --- |
| Department of Treasury: | | | | |
| COVID - 19 - Workforce Innovation Grant | 21.027 | Not applicable | 159,507 | --- |
| Passed through the Wisconsin Department of Workforce Development: | | | | |
| COVID-19 - Coronavirus State and Local Fiscal Recovery Funds | 21.027 | MHD-StateVP-001 | 58,316 | --- |
| Total Department of Treasury | | | <u>217,823</u> | <u>---</u> |
| Department of Education: | | | | |
| Passed through the State of Wisconsin Department of Public Instruction: | | | | |
| COVID-19 - Esser III Out of School Time Grant Opportunity | 84.425 | Not applicable | 184,837 | --- |
| Passed through Milwaukee Public Schools: | | | | |
| Twenty-First Century Community Learning Centers | 84.287 | CO30905 & CO31861 | 538,830 | --- |
| Total Federal Awards Programs | | | <u>\$ 1,177,103</u> | <u>\$ ---</u> |

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

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Notes to the Schedule of Expenditures of Federal Awards
March 31, 2024

1. Basis of Presentation

The accompanying "Schedule of Expenditures of Federal Awards" ("Schedule") includes the federal and other award activity of COA under programs of the federal government for the year ended March 31, 2024. 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. 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 awards received directly from federal agencies as well as federal 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. There were no negative amounts reported on the Schedule.

3. Indirect Cost Rate

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



**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 (a nonprofit organization) ("COA"), which comprise the statement of financial position as of March 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 7, 2024.

Report on 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") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 on 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

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

Reilly, Penner & Benton LLP

August 7, 2024
Milwaukee, Wisconsin



**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

Opinion on 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, 2024. COA's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of COA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of COA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to COA's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on COA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditors' Responsibilities for the Audit of Compliance (Continued)

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about COA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding COA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of COA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of COA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

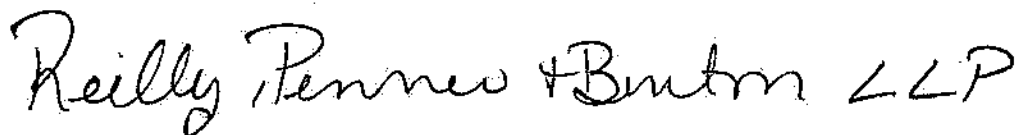
Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

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

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.



August 7, 2024
Milwaukee, Wisconsin

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Schedule of Prior Audit Findings
Year Ended March 31, 2024

There were no prior audit findings.

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Schedule of Findings and Questioned Costs
Year Ended March 31, 2024

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? | None reported |
| 3. Noncompliance material to the financial statements noted? | None reported |

Federal Awards

- | | |
|---|---------------|
| 4. Internal control over major programs: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified? | None reported |
| 5. Type of auditors' report issued on compliance for major federal programs: | Unmodified |
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | None reported |
| 7. Dollar threshold used to distinguish between Type A and Type B programs: | |
| Federal | \$ 750,000 |
| 8. Auditee qualified as low-risk auditee? | No |
| 9. Identification of major federal programs tested: | |

Assistance Listing Number(s)

Name of Federal Program or Cluster

84,287

Twenty-first Century Community Learning
Centers

Section II. Financial Statement Findings

No matters were reported.

Section III. Federal Audit Findings and Questioned Costs

No matters were reported.

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Schedule of Findings and Questioned Costs
Year Ended March 31, 2024