

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Audited Financial Statements
Years Ended March 31, 2022 and 2021

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Independent Auditors' Report

Board of Directors
COA Youth and Family Centers
Milwaukee, Wisconsin

Opinion

We have audited the accompanying financial statements of COA Youth and Family Centers (a nonprofit Organization) ("COA"), which comprise the statements of financial position as of March 31, 2022 and 2021, and the related statements of activities, statements of functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of COA as of March 31, 2022 and 2021, 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. 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 the 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 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, including omissions, 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.

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

In performing an audit in accordance with generally accepted 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.



June 28, 2022
Milwaukee, Wisconsin

COA YOUTH AND FAMILY CENTERS

Milwaukee, Wisconsin

Statements of Financial Position

March 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets:		
Cash and equivalents	\$ 1,982,693	\$ 2,777,683
Receivables:		
Due from government grantors	668,415	353,103
United Way	122,127	122,127
Childcare third party	49,446	72,759
Accounts receivable	54,889	69,700
Other promises to give	302,112	615,743
Investments	7,202,977	6,996,389
Beneficial interest in trust	36,664	33,829
Prepaid expenses	58,554	94,245
Milwaukee Foundation Funds	122,987	124,227
Furniture and equipment	617,396	567,224
Vehicles	244,929	244,929
Buildings and improvements	8,270,685	8,230,444
Land and land improvements	578,603	578,603
Construction in progress	48,366	---
Less: Accumulated depreciation	(5,058,425)	(4,755,228)
Total assets	<u>\$ 15,302,418</u>	<u>\$ 16,125,777</u>
Liabilities and Net Assets:		
Liabilities:		
Accounts payable	\$ 81,989	\$ 193,884
Accrued salaries	137,102	134,093
Payroll tax and related liabilities	10,859	10,710
Deferred revenue	16,244	800
Note payable - Paycheck protection program	---	973,000
Total liabilities	<u>246,194</u>	<u>1,312,487</u>
Net Assets:		
Without donor restriction:		
Undesignated	5,356,696	5,137,623
Board designated	2,150,187	2,067,555
Total without donor restriction	<u>7,506,883</u>	<u>7,205,178</u>
With donor restriction	7,549,341	7,608,112
Total net assets	<u>15,056,224</u>	<u>14,813,290</u>
Total liabilities and net assets	<u>\$ 15,302,418</u>	<u>\$ 16,125,777</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, 2022 and 2021

	2022			2021		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Revenue, Support and Releases:						
Revenue and support:						
Contributions and grants	\$ 779,884	\$ 1,101,455	\$ 1,881,339	\$ 997,194	\$ 1,257,991	\$ 2,255,185
Contributions in-kind	91,437	---	91,437	45,158	---	45,158
Government grants	1,487,333	---	1,487,333	491,229	---	491,229
Program service fees	2,490,540	---	2,490,540	2,793,370	---	2,793,370
Investment activity:						
Investment income, net	105,865	236,311	342,176	58,299	128,220	186,519
Milwaukee Foundation, net	---	(1,240)	(1,240)	---	30,240	30,240
Total investment activity	105,865	235,071	340,936	58,299	158,460	216,759
(Loss) gain on disposal of property and equipment	(772)	---	(772)	305	---	305
Miscellaneous revenue	9,976	---	9,976	6,875	---	6,875
Timber sales	57,658	---	57,658	---	---	---
United Way allocation	33,358	544,758	578,116	251,594	325,672	577,266
Gross special event revenue	48,490	---	48,490	140,996	---	140,996
Less cost of direct benefits to donors	---	---	---	(6,546)	---	(6,546)
Net special event revenue	48,490	---	48,490	134,450	---	134,450
Total revenue and support	5,103,769	1,881,284	6,985,053	4,778,474	1,742,123	6,520,597
Endowment income released	---	---	---	81,936	(81,936)	---
Net assets released from restrictions	1,662,993	(1,662,993)	---	1,029,403	(1,029,403)	---
Total revenue, support and releases	6,766,762	218,291	6,985,053	5,889,813	630,784	6,520,597
Expenses:						
Program Services:						
Early Childhood Development	2,316,076	---	2,316,076	2,070,383	---	2,070,383
Youth Development Programs	1,642,508	---	1,642,508	1,280,352	---	1,280,352
Family Centered Programs	1,035,660	---	1,035,660	904,147	---	904,147
Camping/Conference Center	574,684	---	574,684	499,950	---	499,950
Community Development	945,052	---	945,052	924,493	---	924,493
Total program services	6,513,980	---	6,513,980	5,679,325	---	5,679,325
Supporting services:						
Management and general	361,448	---	361,448	740,541	---	740,541
Fund-raising	439,714	---	439,714	407,008	---	407,008
Total supporting services	801,162	---	801,162	1,147,549	---	1,147,549
Total program and supporting services	7,315,142	---	7,315,142	6,826,874	---	6,826,874
Change in net assets from operations	(548,380)	218,291	(330,089)	(937,061)	630,784	(306,277)
Forgiveness of Paycheck Protection Program	973,000	---	973,000	1,008,000	---	1,008,000
Realized and unrealized (loss) gain on investments	(122,915)	(277,062)	(399,977)	429,643	1,185,133	1,614,776
Change in net assets	301,705	(58,771)	242,934	500,582	1,815,917	2,316,499
Net Assets:						
Beginning of year	7,205,178	7,608,112	14,813,290	6,704,596	5,792,195	12,496,791
End of year	\$ 7,506,883	\$ 7,549,341	\$ 15,056,224	\$ 7,205,178	\$ 7,608,112	\$ 14,813,290

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

COA YOUTH AND FAMILY CENTERS

Milwaukee, Wisconsin

Statements of Functional Expenses

Years Ended March 31, 2022 and 2021

	2022						2021					
	Supporting Services						Supporting Services					
	Program Services	Management and General	Fund-Raising	Total Supporting Services	Cost of Direct Benefits to Donors	Total	Program Services	Management and General	Fund-Raising	Total Supporting Services	Cost of Direct Benefits to Donors	Total
Salaries	\$ 3,923,233	\$ 210,648	\$ 233,006	\$ 443,654	\$ ---	\$ 4,366,887	\$ 3,447,684	\$ 572,505	\$ 258,324	\$ 830,829	\$ ---	\$ 4,278,513
Payroll taxes	314,750	16,553	18,739	35,292	---	350,042	318,278	19,652	23,889	43,541	---	361,819
Pension expense	20,671	1,465	1,402	2,867	---	23,538	20,922	1,677	1,876	3,553	---	24,475
Other fringe benefits	354,887	22,242	24,127	46,369	---	401,256	352,512	26,624	28,807	55,431	---	407,943
Professional fees	327,465	100,724	8,950	109,674	---	437,139	256,337	108,543	12,688	121,231	---	377,568
Supplies	467,094	110	218	328	---	467,422	315,593	93	221	314	6,316	322,223
Computer maintenance	11,311	35	859	894	---	12,205	22,808	377	1,526	1,903	---	24,711
Telephone	16,376	522	120	642	---	17,018	32,792	1,156	1,361	2,517	---	35,309
Postage	2,873	46	456	502	---	3,375	2,203	52	135	187	---	2,390
Occupancy	501,219	5,309	11,627	16,936	---	518,155	426,419	3,572	8,468	12,040	---	438,459
Program expenses	16,994	---	---	---	---	16,994	2,321	---	---	---	---	2,321
Printing	3,208	269	10,209	10,478	---	13,686	6,594	99	6,857	6,956	---	13,550
Transportation	80,910	---	204	204	---	81,114	67,768	415	495	910	---	68,678
Marketing and advertising	2,419	---	3,775	3,775	---	6,194	2,434	---	10,404	10,404	---	12,838
Staff training and education	35,467	740	320	1,060	---	36,527	651	---	---	---	---	651
Membership dues	21,099	44	96	140	---	21,239	17,149	2,346	---	2,346	---	19,495
Contributions in-kind	51,522	---	39,915	39,915	---	91,437	42,335	875	1,948	2,823	---	45,158
Miscellaneous expenses	40,342	2,741	37,961	40,702	---	81,044	22,580	2,555	5,124	7,679	230	30,489
Bad debt expense	---	---	45,000	45,000	---	45,000	---	---	41,500	41,500	---	41,500
Total expenses before depreciation and allocation	6,191,840	361,448	436,984	798,432	---	6,990,272	5,357,380	740,541	403,623	1,144,164	6,546	6,508,090
Depreciation	322,140	---	2,730	2,730	---	324,870	321,945	---	3,385	3,385	---	325,330
Total expenses before allocation	6,513,980	361,448	439,714	801,162	---	7,315,142	5,679,325	740,541	407,008	1,147,549	6,546	6,833,420
Allocated administration expenses	346,773	(361,448)	14,675	(346,773)	---	---	694,586	(740,541)	45,955	(694,586)	---	---
Total expenses by function	6,860,753	---	454,389	454,389	---	7,315,142	6,373,911	---	452,963	452,963	6,546	6,833,420
Less expenses included with revenues on the statement of activities	---	---	---	---	---	---	---	---	---	---	(6,546)	(6,546)
Total expenses included in the expenses section of the statement of activities	\$ 6,860,753	\$ ---	\$ 454,389	\$ 454,389	\$ ---	\$ 7,315,142	\$ 6,373,911	\$ ---	\$ 452,963	\$ 452,963	\$ ---	\$ 6,826,874

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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 242,934	\$ 2,316,499
Adjustments to reconcile change in net assets to cash and equivalent provided (used) by operating activities:		
Depreciation	324,870	325,330
Forgiveness of paycheck protection program note	(973,000)	(1,008,000)
Realized and unrealized loss (gain) on investments	399,977	(1,614,776)
Milwaukee Foundation net activity	1,240	(30,240)
Loss (gain) on disposal of property and equipment	772	(305)
Endowment contributions	(6,600)	(12,900)
Change in assets and liabilities:		
Prepaid expenses	35,691	(32,417)
Receivables	36,443	68,157
Beneficial interest in trust	(2,835)	(7,173)
Accounts payable	(111,895)	108,293
Accrued salaries and payroll liabilities	3,158	9,679
Deferred revenue	15,444	(10,767)
Net cash and equivalent (used) provided by operating activities	(33,801)	111,380
Cash Flows from Investing Activities:		
Purchase of property and equipment	(161,224)	(145,609)
Proceeds from sale of property and equipment	---	305
Purchases of investments	(1,342,071)	(2,171,721)
Proceeds from sale of investments	735,505	1,767,285
Net cash and equivalent used by investing activities	(767,790)	(549,740)
Cash Flows from Financing Activities:		
Proceeds on paycheck protection program note	---	1,981,000
Endowment contributions	6,600	12,900
Net cash provided by financing activities	6,600	1,993,900
Net (decrease) increase in cash and equivalents	(794,991)	1,555,540
Cash and equivalents, beginning of year	2,777,683	1,222,143
Cash and equivalents, end of year	\$ 1,982,692	\$ 2,777,683
Supplementary Disclosures:		
Donated securities	\$ 61,555	\$ ---
Forgiveness of paycheck protection program	\$ 973,000	\$ 1,008,000

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, 2022 and 2021

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 (HIPPI), 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 MCFI 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, 2022 and 2021
(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, money market accounts, and cash on-hand, as cash and equivalents.

C. Receivables

Receivables are recorded at contract value less management's estimate for uncollectible amounts based on their experience relative to the total population of receivables. Management has determined no allowance for doubtful accounts is necessary, other than those related to the promises to give.

D. 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.

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Notes to Financial Statements
March 31, 2022 and 2021
(Continued)

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

D. Investment Valuation and Income Recognition (Continued)

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. There have been no changes in the methodologies used at March 31, 2022 and 2021.

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

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

Milwaukee Foundation Funds and Beneficial Interest in Trust: Valued at the present value of the proportionate share of allocated assets.

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

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

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 2022 and 2021 used was 1.50%.

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 2022 and 2021 was \$324,870 and \$325,330, respectively.

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Notes to Financial Statements
March 31, 2022 and 2021
(Continued)

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

G. 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.

H. 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
- **Timber sales** - recognized as performance obligations (logging sales) 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 goods and services** – 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 contributions in-kind are offset by like amounts included in assets and expenses. Fiscal year 2022 and 2021 contributions in-kind were in the amounts of \$91,437 and \$45,158, respectively. In fiscal year 2022 and 2021 COA recorded expenses for contributed goods and services of \$91,437 and \$45,158, respectively. In fiscal year 2022 and 2021 COA recorded donated equipment of \$-0-.
- **Government grants** – Federal and state contracts are conditional upon the incurrence of allowable qualifying expenses. Revenue is recorded as allowable qualifying expenses are incurred.

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Notes to Financial Statements
March 31, 2022 and 2021
(Continued)

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

H. Revenue Recognition (Continued)

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.

I. 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.

J. Allocations

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

K. Marketing and Advertising

COA expenses marketing and advertising in the period the expense is incurred. Marketing and advertising expense for fiscal year 2022 and 2021 were \$6,194 and \$12,838, respectively.

L. 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.

M. Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed, June 28, 2022. There were no events that require 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.

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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. 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.

5. 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>2022</u>	<u>2021</u>
Cash and equivalents	\$ 1,982,693	\$ 2,777,683
Investments	7,202,977	6,996,389
Government and other receivables, net	894,877	617,689
Promises to give, net	302,112	615,743
Total financial assets	10,382,659	11,007,504
Less amounts not available to be used within one year for general expenditures:		
Endowment assets held in perpetuity	(3,117,811)	(2,988,224)
Donor restricted endowment assets	(1,469,895)	(1,508,870)
Board designated endowment assets	(1,856,476)	(1,872,560)
Add back: Subsequent year endowment distribution*	---	---
Total endowments not available	(6,444,182)	(6,369,654)
Long-term promises to give, net	(29,112)	(108,743)
Not available to meet general expenditures within one year	(6,473,294)	(6,478,397)
Financial assets available to meet general expenditures within one year	\$ 3,909,365	\$ 4,529,107

*See Note 14 for information regarding COA's distribution policy

COA receives significant contributions and pledges receivable 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.

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Notes to Financial Statements
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(Continued)

6. Due from Governmental Grantors

Due from governmental grantors balance is summarized as follows:

	<u>2022</u>	<u>2021</u>
Child and Adult Care Food Program	\$ 14,226	\$ 14,214
MPS Twenty-First Century Community Learning Centers	283,827	291,438
Beyond the Classroom	370,362	---
Teen Pregnancy Prevention	---	47,451
Total	<u>\$ 668,415</u>	<u>\$ 353,103</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>2022</u>	<u>2021</u>
In one year or less	\$ 278,000	\$ 507,000
Between one year and five years	30,000	125,000
Less: Allowance for uncollectible pledges	(5,000)	(8,000)
Less: Present value discount	(888)	(8,257)
Total promises to give	<u>\$ 302,112</u>	<u>\$ 615,743</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 \$122,127 and \$122,127 at March 31, 2022 and 2021, respectively. The United Way receivable represents \$94,002 and \$122,127 due from United Way's annual pledge of \$488,508 for 2022 and 2021, respectively and \$28,125 due from United Way's additional grants of \$56,250 and \$88,758, respectively. 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.

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(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 for the year ending March 31, 2022:

	Fair Value			Total
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Taxable Fixed Income:				
Intermediate-term bonds	\$ 402,310	\$ ---	\$ ---	\$ 402,310
Short-term bonds	357,205	---	---	357,205
Nontraditional bonds	146,380	---	---	146,380
Multisector bonds	18,840	---	---	18,840
Total taxable fixed income	924,735	---	---	924,735
Corporate Bonds	---	669,152	---	669,152
U.S. Treasury Notes	---	226,698	---	226,698
Domestic Equities:				
Small Cap	135,478	---	---	135,478
Mid Cap	1,037,345	---	---	1,037,345
Large Cap	2,349,939	---	---	2,349,939
Total domestic equities	3,522,762	---	---	3,522,762
Milwaukee Foundation	---	122,987	---	122,987
Beneficial interest in trust	---	36,664	---	36,664
International Equities:				
Large Cap	1,278,358	---	---	1,278,358
Other Assets:				
Mixed assets	581,272	---	---	581,272
Total	\$ 6,307,127	\$ 1,055,501	\$ ---	\$ 7,362,628

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Notes to Financial Statements
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(Continued)

9. Investments (Continued)

The following summarizes the classification of investments by classification and method of valuation in accordance with the requirements of accounting principles generally accepted in the United States of America for the year ending March 31, 2021:

	Fair Value			Total
	Level 1	Level 2	Level 3	
Taxable Fixed Income:				
Intermediate-term bonds	\$ 559,805	\$ ---	\$ ---	\$ 559,805
Short-term bonds	266,320	---	---	266,320
Nontraditional bonds	175,864	---	---	175,864
Multisector bonds	14,680	---	---	14,680
Total taxable fixed income	1,016,670	---	---	1,016,670
Corporate Bonds	---	568,274	---	568,274
U.S. Treasury Notes	---	241,868	---	241,868
Domestic Equities:				
Small Cap	145,820	---	---	145,820
Mid Cap	769,294	---	---	769,294
Large Cap	2,213,431	---	---	2,213,431
Total domestic equities	3,128,545	---	---	3,128,545
Milwaukee Foundation	---	124,227	---	124,227
Beneficial interest in trust	---	33,829	---	33,829
International Equities:				
Large Cap	1,210,029	---	---	1,210,029
Other Assets:				
Mixed assets	424,560	---	---	424,560
Other assets	406,444	---	---	406,444
Total other assets	831,004	---	---	831,004
Total	\$ 6,186,248	\$ 968,197	\$ ---	\$ 7,154,445

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

	<u>2022</u>	<u>2021</u>
Cost	\$ 6,154,914	\$ 5,467,978
Cumulative unrealized gain	1,207,714	1,686,467
Market	<u>\$ 7,362,628</u>	<u>\$ 7,154,445</u>

The amount of investment expenses netted against investment income was \$26,788 and \$25,253 for the years ended March 31, 2022 and 2021, respectively.

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March 31, 2022 and 2021

(Continued)

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, 2020	\$ 93,987
Net activity – 2021	30,240
Balance, March 31, 2021	<u>124,227</u>
Net activity – 2022	<u>(1,240)</u>
Balance, March 31, 2022	<u>\$ 122,987</u>

The amount of investment expenses netted against net activity was \$1,250 and \$1,138 for the years ended March 31, 2022 and 2021, respectively. The amount of grant disbursements netted against net activity was \$3,801 and \$3,709 for the years ended March 31, 2022 and 2021, 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 \$36,664 and \$33,829 at March 31, 2022 and 2021, respectively.

In 2016 a donor established with JCF the Irving L. Chortek Charitable Fund in Memory of Robert and Jennie Chortek Donor Restricted Fund granting COA one-tenth of the net income and initial principal amount of the donation. The market value of COA’s proportionate share at the time of the donation was \$750,000. When these funds were established, the donor granted the governing board of JCF “variance power” which allows the governing board of JCF to modify the donor’s stipulations under certain circumstances as changes in community needs is monitored. In accordance with FASB Statement No. 136, “*Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*”, these assets do not belong to COA and should therefore not be recorded on COA’s statements of financial position. Distributions of \$115,000 and \$100,000 for the years ending March 31, 2022 and 2021, respectively from the trust to COA are for restricted for the subsequent year. Total distributions from the trust to date is \$645,000.

12. 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, 2022 and 2021. No funds were borrowed on the line of credit during the years ended March 31, 2022 and 2021.

COA YOUTH AND FAMILY CENTERS
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Years Ended March 31, 2022 and 2021
(Continued)

13. Nature of Net Assets

The following summarizes the nature of net assets as of March 31, 2022:

	Board Designated	With Donor Restriction		2022 Total
		Purpose or Time Restricted	Held in Perpetuity	
Endowments:				
COA Next Generation Fund	\$ 1,776,464	\$ ---	\$ ---	\$ 1,776,464
Alice Bertschy Kadish Park Fund	---	292,162	1,000,000	1,292,162
Mel & Leila Goldin Fund	---	252,753	899,999	1,152,752
COA Staff Enhancement Fund	---	76,006	334,900	410,906
Bud & Sue Selig Fund	---	335,270	---	335,270
Scott & Peggy Sampson Family Fund	---	88,136	270,411	358,547
David & Julia Uihlein Fund	---	183,035	---	183,035
Edward, Carolyn and Kathryn Miller – Campership Fund	1,064	37,363	88,519	126,946
James, Mary Anne and David Saltzstein Fund	8,383	32,975	50,227	91,585
Rose and Harry Samson Family Center Fund	---	35,075	99,500	134,575
Ethel N. Gill Fund – Campership Fund	---	15,828	34,990	50,818
Janet Hirshberg Krauskopf – Campership Fund	---	10,731	41,794	52,525
Alice Uhrig Boese Memorial Fund	---	9,381	25,000	34,381
Pearl Becker Fund – Youth Development	1,331	10,329	21,039	32,699
Gene & Ruth Posner Fund – Camperships	---	14,367	52,500	66,867
Gerald & Harriet Glasspiegel Campership Fund	---	5,598	17,671	23,269
Susie Stein and Children Fund – Camperships	---	5,203	15,200	20,403
Larry & Bobbi Polacheck Family Campership Fund	---	5,615	15,658	21,273
Barbara & Morty Blutstein and Grandchildren Campership Fund	---	3,553	11,213	14,766
Sally Kraus Child Care Fund - Scholarships	9,901	---	---	9,901
Charles A. Hays Fund – Camperships	---	3,304	13,280	16,584
TPS Scholarship Fund	---	21,457	---	21,457
Heilbronner Fund	---	30,683	---	30,683
Ernest F. and May Rice Memorial Fund	---	1,071	2,923	3,994
Ely Leichtling and Sally Merrell Fund	59,333	---	---	59,333
Total endowments	1,856,476	1,469,895	2,994,824	6,321,195
Other Funds:				
Program Restrictions – 2022/2023 Activities	---	1,705,507	---	1,705,507
Capital Maint Reserve	293,711	---	---	293,711
David Previant Resource Center	---	2,051	---	2,051
Milwaukee Foundation Norm Adelman Fund	---	---	122,987	122,987
Total other funds	293,711	1,707,558	122,987	2,124,256
Time Restrictions:				
Capital Maintenance Reserve Fund	---	529,284	---	529,284
United Way	---	122,127	---	122,127
CMR Goldin Clinic	---	76,702	---	76,702
Deschur Beneficial Interest	---	36,664	---	36,664
Other Time Restrictions	---	489,300	---	489,300
Total time restrictions	---	1,254,077	---	1,254,077
Undesignated	---	---	---	5,356,696
Total Net Assets	\$ 2,150,187	\$ 4,431,530	\$ 3,117,811	\$ 15,056,224

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Notes to Financial Statements
Years Ended March 31, 2022 and 2021
(Continued)

13. Nature of Net Assets (Continued)

The following summarizes the nature of net assets as of March 31, 2021:

	<u>With Donor Restriction</u>			2021 Total
	Board Designated	Purpose or Time Restricted	Held in Perpetuity	
Endowments:				
COA Next Generation Fund	\$ 1,791,946	\$ ---	\$ ---	\$ 1,791,946
Alice Bertschy Kadish Park Fund	---	303,423	1,000,000	1,303,423
Mel & Leila Goldin Fund	---	262,799	899,999	1,162,798
COA Staff Enhancement Fund	---	79,587	334,900	414,487
Bud & Sue Selig Fund	---	338,192	---	338,192
Scott & Peggy Sampson Family Fund	---	91,260	270,411	361,671
David & Julia Uihlein Fund	---	184,630	---	184,630
Edward, Carolyn and Kathryn Miller – Campership Fund	1,064	38,469	88,519	128,052
James, Mary Anne and David Saltzstein Fund	8,383	33,773	50,227	92,383
Rose and Harry Samson Family Center Fund	---	36,248	99,500	135,748
Ethel N. Gill Fund – Campership Fund	---	16,271	34,990	51,261
Janet Hirshberg Krauskopf – Campership Fund	---	11,182	40,194	51,376
Alice Uhrig Boese Memorial Fund	---	9,680	25,000	34,680
Pearl Becker Fund – Youth Development	1,331	10,613	20,739	32,683
Gene & Ruth Posner Fund – Camperships	---	14,939	50,000	64,939
Gerald & Harriet Glasspiegel Campership Fund	---	5,801	17,671	23,472
Susie Stein and Children Fund – Camperships	---	5,380	15,200	20,580
Larry & Bobbi Polacheck Family Campership Fund	---	5,801	15,658	21,459
Barbara & Morty Blutstein and Grandchildren Campership Fund	---	3,682	11,213	14,895
Sally Kraus Child Care Fund - Scholarships	9,987	---	---	9,987
Charles A. Hays Fund – Camperships	---	3,439	11,080	14,519
TPS Scholarship Fund	---	21,644	---	21,644
Heilbronner Fund	---	30,951	---	30,951
Ernest F. and May Rice Memorial Fund	---	1,106	2,923	4,029
Ely Leichtling and Sally Merrell Fund	59,849	---	---	59,849
Total endowments	1,872,560	1,508,870	2,988,224	6,369,654
Other Funds:				
Program Restrictions – 2021/2022 Activities	---	1,796,187	---	1,796,187
Capital Maint Reserve	194,995	---	---	194,995
David Previant Resource Center	---	2,051	---	2,051
Milwaukee Foundation Norm Adelman Fund	---	---	124,227	124,227
Total other funds	194,995	1,798,238	124,227	2,117,460
Time Restrictions:				
Capital Maintenance Reserve Fund	---	533,311	---	533,311
United Way	---	122,127	---	122,127
CMR Goldin Clinic	---	77,286	---	77,286
Deschur Beneficial Interest	---	33,829	---	33,829
Other Time Restrictions	---	422,000	---	422,000
Total time restrictions	---	1,188,553	---	1,188,553
Undesignated	---	---	---	5,137,623
Total Net Assets	\$ 2,067,555	\$ 4,495,661	\$ 3,112,451	\$ 14,813,290

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Notes to Financial Statements
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(Continued)

13. Nature of Net Assets (Continued)

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

	<u>2022</u>	<u>2021</u>
Satisfaction of purpose restriction	\$ 1,193,867	\$ 606,417
Satisfaction of time restriction	469,126	422,986
Total net assets released from restriction	<u>\$ 1,662,993</u>	<u>\$ 1,029,403</u>

14. 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, 2022 and 2021.

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

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

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Notes to Financial Statements
March 31, 2022 and 2021
(Continued)

14. Endowment Funds (Continued)

Endowment Net Asset Composition by Type of Fund as of March 31, 2022 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	\$ ---	\$ 2,994,824	\$ ---	\$ 2,994,824	\$ 2,994,824
Donor-restricted gifts	---	1,469,895	---	1,469,895	1,469,895
Board-designated	1,856,476	---	---	---	1,856,476
Total funds	\$ 1,856,476	\$ 4,464,719	\$ ---	\$ 4,464,719	\$ 6,321,195

Endowment Net Asset Composition by Type of Fund as of March 31, 2021 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	\$ ---	\$ 2,988,224	\$ ---	\$ 2,988,224	\$ 2,988,224
Donor-restricted gifts	---	1,508,870	---	1,508,870	1,508,870
Board-designated	1,872,560	---	---	---	1,872,560
Total funds	\$ 1,872,560	\$ 4,497,094	\$ ---	\$ 4,497,094	\$ 6,369,654

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, 2020	\$ 1,430,940	\$ 442,244	\$ 2,975,324	\$ 4,848,508
Investment activity, net	474,853	1,148,490	---	1,623,343
Contributions	---	72	12,900	12,972
Distributed	(33,233)	(81,936)	---	(115,169)
Balance, March 31, 2021	\$ 1,872,560	\$ 1,508,870	\$ 2,988,224	\$ 6,369,654
Investment activity, net	(16,084)	(38,975)	---	(55,059)
Contributions	---	---	6,600	6,600
Distributed*	---	---	---	---
Balance, March 31, 2022	\$ 1,856,476	\$ 1,469,895	\$ 2,994,824	\$ 6,321,195

*During 2021, the board approved suspending the distribution for 2022. During 2022, the board approved suspending the distribution for 2023.

15. Related-Party Transactions

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

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Notes to Financial Statements
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(Continued)

16. 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, 2022 and 2021. COA's contribution for fiscal years 2022 and 2021 was \$23,538 and \$24,475, respectively.

17. 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>2022</u>		<u>2021</u>
Special events revenue, gross	\$ 48,490	\$	140,996
Less cost of direct benefit to donors	---		(6,546)
Special event revenue, net	<u>48,490</u>		<u>134,450</u>
Less other non-direct expenses	(35,668)		(11,072)
Special events, net	<u>\$ 12,322</u>	\$	<u>123,378</u>

18. Paycheck Protection Program

Under the Paycheck Protection Program (PPP Loan), COA received loans on April 20, 2020 and February 12, 2021 in the amount of \$1,008,000 and \$973,000, respectively. The PPP loans accrue interest at a rate of 1% and have an original maturity date of two to five years. Payments are deferred during the Deferral Period. The Deferral Period is the period beginning on the date of each Note and ending 10 months after the last day of the covered period (Deferral Expiration Date). Any amounts not forgiven under the Program will be payable in equal installments of principal plus any interest owed on the payment date from the Deferral Expiration Date through the Maturity Date. Additionally, any accrued interest that is not forgiven under the Program will be due on the First Payment Date, which is the 15th of the month following the month in which the Deferral Expiration Date occurs.

Under the requirements of the CARES Act, as amended by the PPP Flexibility Act and Consolidated Appropriations Act, 2021, proceeds may only be used for COA's eligible payroll costs (with salary capped at \$100,000 on an annualized bases for each employee), or other eligible costs related to rent, mortgage interest utilities, covered operations expenditures, covered property damage, covered supplier costs, and covered worker protection expenditures, in each case paid during the 24-week period following disbursement. The PPP Loans may be fully forgiven if (i) proceeds are used to pay eligible payroll costs or other eligible costs and (ii) full-time employee headcount and salaries are either maintained during the 24-week period following disbursement or restored by December 31, 2020. If not maintained or restored, any forgiveness of the PPP Loans would be reduced in accordance with the regulations that were issued by the Small Business Association. All the proceeds of the PPP Loans were used by COA to pay eligible payroll costs and COA maintained headcount and otherwise complied with the terms of the PPP Loans.

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Notes to Financial Statements
March 31, 2022 and 2021
(Continued)

18. Paycheck Protection Program (Continued)

Activity of the PPP Loans is as follows for the year ended March 31:

Loans received, March 31, 2021	\$ 1,981,000
Loans forgiven – 2021	<u>(1,008,000)</u>
Balance, March 31, 2021	973,000
Loans forgiven – 2022	<u>(973,000)</u>
Balance, March 31, 2022	<u>\$ ---</u>

19. 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 13% and 11% of COA's revenue was from forgiveness on the paycheck protection program for the year ended March 31, 2022 and 2021, respectively.

20. 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.

In June 2021, COA was notified of potential loss with regard a specific alternative investment security. COA's initial investment was approximately \$387,500. COA has received distributions of approximately \$158,000. These distributions were treated as a return of capital which reduced the cost basis of the investment. For the year ended March 31, 2022, COA is holding the investment at \$0. Additional fund reserves and a pending class action lawsuit may result in further recoveries.

21. Indemnifications

A claim against COA is in the preliminary stage. In the opinion of management, any legal actions known to exist at March 31, 2022 are covered by COA's insurance provider and are not likely to have a material adverse impact on the financial statements.

22. Commitments

COA has a commitment related to an HVAC system upgrade of \$79,369. As of March 31, 2022, \$37,860 has been completed and capitalized as construction in progress, leaving a remaining commitment of \$41,509.

SUPPLEMENTAL INFORMATION

COA YOUTH AND FAMILY CENTERS
Milwaukee, Wisconsin

Schedule of Without Donor Restriction Revenue and Expenses by Program
Year Ended March 31, 2022

	<u>Early Childhood Development</u>	<u>Youth Development Programs</u>	<u>Family Centered Programs</u>	<u>Camping/ Conference</u>	<u>Community Development</u>	<u>Supporting Services</u>	<u>Total</u>
Revenue, Support and Releases:							
Contributions and grants	\$ 15,070	\$ 60,500	\$ 148,230	\$ 23,027	\$ 11,328	\$ 521,729	\$ 779,884
Contributions in-kind	4,771	21,598	16,325	---	8,828	39,915	91,437
Government grants:							
Child and Adult Care Food Program	130,690	---	---	---	---	---	130,690
Summer Food Service Program for Children	29,997	---	---	3,520	---	---	33,517
Community Development Block Grant Program	---	60,000	---	---	---	---	60,000
Teen pregnancy prevention	---	25,470	---	---	---	---	25,470
Twenty-First Century Community Learning Centers	---	---	---	---	512,958	---	512,958
Safety Grant	120	---	---	---	---	---	120
Beyond the Classroom	---	498,913	---	225,665	---	---	724,578
Program service fees	1,810,612	383,265	550	9,340	286,773	---	2,490,540
Investment income, net	---	---	---	---	---	105,865	105,865
Loss on disposal of property and equipment	---	---	---	---	---	(772)	(772)
Miscellaneous revenue	3,822	316	30	448	3,210	2,150	9,976
Timber sales	---	---	---	57,658	---	---	57,658
United Way	---	---	---	---	---	33,358	33,358
Gross special event revenue	---	---	---	500	---	47,990	48,490
Total revenue and support	1,995,082	1,050,062	165,135	320,158	823,097	750,235	5,103,769
Net assets released from restrictions	142,805	357,071	691,645	64,343	44,500	362,629	1,662,993
Total revenue, support and releases	2,137,887	1,407,133	856,780	384,501	867,597	1,112,864	6,766,762
Expenses:							
Salaries	1,507,444	797,524	705,857	252,991	659,417	443,654	4,366,887
Payroll taxes	125,505	62,545	56,946	19,568	50,186	35,292	350,042
Pension expense	9,562	3,949	4,472	1,175	1,513	2,867	23,538
Other fringe benefits	160,807	69,073	71,634	20,689	32,684	46,369	401,256
Professional fees	45,677	158,824	18,195	84,876	19,893	109,674	437,139
Supplies	164,746	78,587	69,801	46,348	107,612	328	467,422
Computer maintenance	10,410	383	350	168	---	894	12,205
Telephone	1,520	5,701	7,090	1,872	193	642	17,018
Postage	1,271	506	889	180	27	502	3,375
Occupancy	156,247	189,583	45,857	103,140	6,392	16,936	518,155
Program expenses	2,448	11,936	130	---	2,480	---	16,994
Printing	966	484	623	1,077	58	10,478	13,686
Transportation	4,402	29,333	13,652	4,142	29,381	204	81,114
Marketing and advertising	1,420	24	975	---	---	3,775	6,194
Staff training and education	13,940	16,906	1,471	1,599	1,551	1,060	36,527
Membership dues	4,444	6,024	8,907	1,662	62	140	21,239
Contributions in-kind	4,771	21,598	16,325	---	8,828	39,915	91,437
Miscellaneous expenses	21,509	8,476	4,467	4,164	1,726	40,702	81,044
Bad debt expense	---	---	---	---	---	45,000	45,000
Total expenses before depreciation and allocation	2,237,089	1,461,456	1,027,641	543,651	922,003	798,432	6,990,272
Allocated administration expenses	185,582	73,811	57,058	26,335	3,987	(346,773)	---
Total expenses before nonoperating gains and losses	2,422,671	1,535,267	1,084,699	569,986	925,990	451,659	6,990,272
Total revenue over expenses before nonoperating gains and losses	(284,784)	(128,134)	(227,919)	(185,485)	(58,393)	661,205	(223,510)
Nonoperating Gains and Losses:							
Forgiveness of Paycheck Protection Program	---	---	---	---	---	973,000	973,000
Realized and unrealized loss on investments	---	---	---	---	---	(122,915)	(122,915)
Depreciation	(78,987)	(181,052)	(8,019)	(31,033)	(23,049)	(2,730)	(324,870)
Total nonoperating Gains and Losses:	(78,987)	(181,052)	(8,019)	(31,033)	(23,049)	847,355	525,215
Total revenue over (under) expenses	\$ (363,771)	\$ (309,186)	\$ (235,938)	\$ (216,518)	\$ (81,442)	\$ 1,508,560	\$ 301,705

See Independent Auditors' Report.