

COALITION FOR CHILDREN, YOUTH & FAMILIES, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(With Summarized Totals for the Year Ended JUNE 30, 2023)

Independent Auditor's Report

Board of Directors
Coalition for Children, Youth & Families, Inc.

Opinion

We have audited the accompanying financial statements of Coalition for Children, Youth & Families, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Coalition for Children, Youth & Families, Inc. as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Coalition for Children, Youth & Families, Inc. 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 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 Coalition for Children, Youth & Families, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's 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 auditor's 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 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, 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 Coalition for Children, Youth & Families, Inc.'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 Coalition for Children, Youth & Families, Inc.'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.

Board of Directors
Coalition for Children, Youth & Families, Inc.

Report on Summarized Comparative Information

We have previously audited Coalition for Children, Youth & Families, Inc.'s June 30, 2023, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 11, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of program revenue and expenses - without donor restrictions 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.


RITZ-HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
December 5, 2024

COALITION FOR CHILDREN, YOUTH & FAMILIES, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024
(With Summarized Totals for June 30, 2023)

ASSETS		2024	2023
CURRENT ASSETS			
Cash and Cash Equivalents	\$	389,837	\$ 227,578
Grants Receivable		59,959	186,256
Pledges Receivable		5,893	18,060
Prepaid Expenses		54,024	48,520
Total Current Assets	\$	<u>509,713</u>	<u>\$ 480,414</u>
FIXED ASSETS			
Furniture and Fixtures	\$	41,006	\$ 41,006
Computers and Equipment		32,369	32,369
Website Development		73,228	74,890
Total Fixed Assets	\$	<u>146,603</u>	<u>\$ 148,265</u>
Less: Accumulated Depreciation		<u>(133,968)</u>	<u>(129,786)</u>
Net Fixed Assets	\$	<u>12,635</u>	<u>\$ 18,479</u>
LEASES			
Right-of-Use Asset - Operating	\$	528,196	\$ 596,776
Right-of-Use Asset - Finance		10,223	447
Total Leases	\$	<u>538,419</u>	<u>\$ 597,223</u>
LONG-TERM ASSETS			
Investments	\$	346,169	\$ 366,389
Unemployment Reserve Fund		33,883	32,287
Security Deposits		3,975	3,975
Life Insurance Cash Surrender Value		102,996	97,300
Total Long-Term Assets	\$	<u>487,023</u>	<u>\$ 499,951</u>
TOTAL ASSETS	\$	<u><u>1,547,790</u></u>	<u><u>\$ 1,596,067</u></u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts Payable	\$	20,094	\$ 4,953
Accrued Payroll and Related Liabilities		24,527	23,048
Deferred Revenue		422	---
Short-Term Lease Liability - Operating		65,203	62,131
Short-Term Lease Liability - Finance		2,124	1,776
Total Current Liabilities	\$	<u>112,370</u>	<u>\$ 91,908</u>
LONG-TERM LIABILITIES			
Long-Term Lease Liability - Operating	\$	483,447	\$ 548,649
Long-Term Lease Liability - Finance		8,139	---
Total Long-Term Liabilities	\$	<u>491,586</u>	<u>\$ 548,649</u>
Total Liabilities	\$	<u>603,956</u>	<u>\$ 640,557</u>
NET ASSETS			
Without Donor Restrictions			
Operating	\$	580,653	\$ 544,809
Board Designated Long-Term Development Fund		346,169	366,389
Total Without Donor Restrictions	\$	<u>926,822</u>	<u>\$ 911,198</u>
With Donor Restrictions		17,012	44,312
Total Net Assets	\$	<u>943,834</u>	<u>\$ 955,510</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>1,547,790</u></u>	<u><u>\$ 1,596,067</u></u>

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

COALITION FOR CHILDREN, YOUTH & FAMILIES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024
(With Summarized Totals for the Year Ended June 30, 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
REVENUE				
State of Wisconsin				
Department of Children and Families	\$ 913,823	\$ ---	\$ 913,823	\$ 1,023,463
Contributions	76,369	---	76,369	70,571
Fundraising Events				
Fundraising Income	208,048	7,012	215,060	261,524
Fundraising Expenses	(62,959)	---	(62,959)	(101,289)
Conferences, Classes, and Service Contracts	23,037	---	23,037	27,184
Donated Services	52,233	---	52,233	212,178
Community Shares of Greater Milwaukee	4,711	---	4,711	4,467
Interest Income	3,472	---	3,472	24
Net Return on Investments	33,608	---	33,608	34,648
Other Income	1,170	---	1,170	1,369
Net Assets Released from Restrictions	34,312	(34,312)	---	---
Total Revenue	<u>\$ 1,287,824</u>	<u>\$ (27,300)</u>	<u>\$ 1,260,524</u>	<u>\$ 1,534,139</u>
EXPENSES				
Program	\$ 1,057,966	\$ ---	\$ 1,057,966	\$ 1,237,233
Management	157,480	---	157,480	153,452
Fundraising	56,754	---	56,754	38,657
Total Expenses	<u>\$ 1,272,200</u>	<u>\$ ---</u>	<u>\$ 1,272,200</u>	<u>\$ 1,429,342</u>
CHANGE IN NET ASSETS	\$ 15,624	\$ (27,300)	\$ (11,676)	\$ 104,797
Net Assets, Beginning of Year	<u>911,198</u>	<u>44,312</u>	<u>955,510</u>	<u>850,713</u>
NET ASSETS, END OF YEAR	<u>\$ 926,822</u>	<u>\$ 17,012</u>	<u>\$ 943,834</u>	<u>\$ 955,510</u>

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

COALITION FOR CHILDREN, YOUTH & FAMILIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024
(With Summarized Totals for the Year Ended June 30, 2023)

	Program	Management	Fundraising	2024 Total	2023 Total
EXPENSES					
Salaries and Wages	\$ 571,324	\$ 93,740	\$ 24,638	\$ 689,702	\$ 657,551
Retirement Expense	4,563	754	228	5,545	5,785
Fringe Benefits	58,757	9,747	3,208	71,712	68,317
Payroll Taxes	42,512	6,986	1,902	51,400	49,236
Staff Training and Development	8,659	---	1,386	10,045	20,262
Subcontractor Expense	45,107	---	5,493	50,600	13,955
Professional Services	14,762	17,192	700	32,654	33,361
Printing and Publications	1,993	1,253	5,974	9,220	18,120
Conference and Event Coordination	9,777	---	85	9,862	24,211
Resource Library Investment	335	---	---	335	516
Program Activity Costs	3,577	---	118	3,695	12,202
Advertising	58,280	---	---	58,280	255,228
Travel	13,237	2,101	120	15,458	9,957
Dues and Subscriptions	7,541	1,284	624	9,449	8,310
Technology	96,222	4,226	5,196	105,644	99,665
Telephone	5,584	911	210	6,705	6,812
Office Supplies and Expense	2,456	400	88	2,944	2,373
Postage	442	316	1,565	2,323	5,219
Rent	70,103	11,567	3,434	85,104	89,716
Licenses and Permits	1,159	182	---	1,341	1,427
Interest Expense	2,689	443	125	3,257	1,367
Amortization and Depreciation Expense	10,711	1,811	801	13,323	14,435
Insurance	15,963	2,646	859	19,468	17,478
Miscellaneous Expense	12,213	1,921	---	14,134	13,839
SUBTOTAL	\$ 1,057,966	\$ 157,480	\$ 56,754	\$ 1,272,200	\$ 1,429,342
SPECIAL EVENT EXPENSES					
Venue and Catering	\$ ---	\$ ---	\$ 54,924	\$ 54,924	\$ 83,048
Travel	---	---	332	332	424
Printing, Advertising, and Postage	---	---	4,847	4,847	975
Other Costs	---	---	2,856	2,856	16,842
TOTAL SPECIAL EVENT EXPENSES	\$ ---	\$ ---	\$ 62,959	\$ 62,959	\$ 101,289
TOTAL EXPENSES	\$ 1,057,966	\$ 157,480	\$ 119,713	\$ 1,335,159	\$ 1,530,631

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

COALITION FOR CHILDREN, YOUTH & FAMILIES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024
(With Summarized Totals for the Year Ended June 30, 2023)

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (11,676)	\$ 104,797
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities		
Amortization and Depreciation	13,323	14,435
Net Realized and Unrealized Gain on Investments	(20,087)	(31,048)
(Increase) Decrease in Grants Receivable	126,297	20,755
(Increase) Decrease in Pledges Receivable	12,167	11,940
(Increase) Decrease in Prepaid Expenses	(5,504)	8,918
(Increase) Decrease in Unemployment Reserve Fund	(1,596)	(1,428)
(Increase) Decrease in Life Insurance Cash Surrender Value	(5,696)	(5,611)
(Increase) Decrease in Operating Lease Asset Net of Lease Liability	6,450	14,004
Increase (Decrease) in Accounts Payable	15,141	(1,155)
Increase (Decrease) in Accrued Payroll and Related Liabilities	1,479	(1,994)
Increase (Decrease) in Deferred Revenue	422	---
Net Cash Provided by Operating Activities	<u>\$ 130,720</u>	<u>\$ 133,613</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	\$ (12,048)	\$ (358,136)
Redemption of Investments	52,355	358,136
Purchase of Fixed Assets	(5,950)	---
Net Cash Provided (Used) by Investing Activities	<u>\$ 34,357</u>	<u>\$ ---</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Finance Lease	\$ (2,818)	\$ (3,350)
Net Cash Used by Financing Activities	<u>\$ (2,818)</u>	<u>\$ (3,350)</u>
Net Increase in Cash and Cash Equivalents	\$ 162,259	\$ 130,263
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>227,578</u>	<u>97,315</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 389,837</u></u>	<u><u>\$ 227,578</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid and Non-cash Investing and Financing Activities		
Interest Paid	\$ 3,257	\$ 1,367

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

COALITION FOR CHILDREN, YOUTH & FAMILIES, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

COALITION FOR CHILDREN, YOUTH & FAMILIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE A - Summary of Significant Accounting Policies

Organization

Coalition for Children, Youth & Families, Inc.'s (the "Organization") mission is to find permanence for every child in Wisconsin and to support, nurture and encourage healthy families.

The Answer Place helps families and professionals find the answers and information they need.

The Support Highway helps families to learn and grow.

Accounting Method

The financial statements for the Organization have been prepared on the accrual basis of accounting.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

Grants Receivable

Grants receivable includes government and other grants and services earned, but not yet paid to the Organization as of year-end. The Organization considers revenue to be earned when the services are performed and/or related costs to be reimbursed have been incurred.

Pledges Receivable

Pledges receivable are recorded when the Organization receives an unconditional promise to give or when the condition is met of a conditional promise to give.

Allowance for Uncollectible Accounts

Management believes all receivables will be collected in accordance with the terms of the agreements. Thus, no allowance for uncollectible accounts is necessary at year end.

Accounts Receivable

Accounts receivable are stated at unpaid balances owed to the Organization for services rendered or other miscellaneous receivables

COALITION FOR CHILDREN, YOUTH & FAMILIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE A - Summary of Significant Account Policies (continued)

Accounts Receivable and Credit Losses

The Organization recognizes an allowance for expected credit losses on trade receivables. The expected credit losses are updated by management at each reporting date to reflect changes in credit risk since the financial instrument was initially recognized. The expected credit losses on trade receivables are estimated based on historical credit loss experience, aging analysis, and management's assessment of current conditions and reasonable and supportable expectations of future conditions. The Organization assesses collectability by pooling receivables where similar characteristics exist and evaluates receivables individually, when specific customer balances no longer share those risk characteristics and are considered at risk or uncollectible. Accounts receivable balances are charged off against the allowance for credit losses after recovery efforts have ceased. The expense associated with the allowance for expected credit losses is recognized in bad debts expense.

Prepaid Expenses

Prepaid expenses are future expenses paid in advance and are reported on the statement of financial position as an asset.

Fixed Assets

Fixed assets are recorded at cost. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The Organization capitalized all assets with values of \$5,000 or greater.

Leases

The Organization recognizes operating and finance leases in accordance with the *FASB Accounting Standards Codification (ASC) 842*. A lease exists when an organization has the right to control the use of property, plant or equipment over a lease term. The lessee classifies a lease as either a finance or operating lease. The accounting of a finance lease is similar to when an asset is purchased. An operating lease is when the right-of-use of an asset exists over the lease-term, but the lease doesn't meet the definition of a finance lease. The Organization has elected not to apply the recognition requirements in ASC 842 to short-term leases (those with a term of 12 or less months) and no expected purchase at the end of the term. The Organization has elected to use the risk-free interest rate as a practical expedient. The rate is used for all leases.

Contributions and Grant Revenue

Contributions received and unconditional promises to give are measured at fair value and are reported as increases in net assets. Contributions are considered available for the Organization's general operations and included in net assets without donor restrictions unless specifically restricted by a donor. A restricted contribution is reported in revenue and net assets without donor restrictions when the restriction is met within the same reporting period as the contribution is received. Contributions received restricted for a purpose not yet met or to support a future period are included in net assets with donor restrictions. When a donor restriction from a prior year expires, 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. Conditional contributions are not recognized as revenue until they become unconditional. A conditional contribution is one that has both a barrier that must be overcome and an agreement requiring advance payment to be returned or future payment not to be obligated if the barrier is not overcome.

COALITION FOR CHILDREN, YOUTH & FAMILIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE A - Summary of Significant Account Policies (continued)

Contributions and Grant Revenue (continued)

Net assets restricted for acquisition of building or equipment are reported as net assets with donor restrictions until the specified asset is placed in service when the net assets are released to net assets without donor restrictions.

When a donor requires the investment of a contribution and restricts the use of investment income, the investment income is reported as net assets with donor restrictions until appropriated for the designated time or use when the net assets are released to net assets without donor restrictions.

Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Donated services are recognized as contributions if the services create or enhance nonfinancial assets or the services require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Accordingly, the value of contributed time that does not meet these requirements has not been determined and is not reflected in the accompanying financial statements.

Government Grants and Contract Revenue

Government grants and contract revenue are recognized when earned. Revenue is earned when eligible expenditures, as defined in each grant, contract or other allowable cost manual, are made. Any cash received for revenue not yet earned is considered to be deferred revenue. Revenue earned but not yet paid to the Organization is included in grants receivable. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such review reduces expenditures allowable under these grants or contracts, the Organization records the disallowance at the time the final assessment is made. Management believes that disallowances, if any, would not have a significant effect on the financial statements.

Functional Expenses

The statement of functional expenses presents the Organization's allocation of costs attributable to program, management or fundraising type activities. Program costs are those associated with carrying out the mission; management are those for management of the Organization including accounting, office expense, human resources, budgeting or board of directors costs; and fundraising costs are those attributed to the solicitation of contributions. Whenever possible, the Organization charges costs directly to program, management or fundraising. The cost of individuals that participate in more than one function are allocated to each function based on that individual's time in each function. Other costs that relate to more than one function are allocated based on the prorated share of benefit to each function.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

COALITION FOR CHILDREN, YOUTH & FAMILIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE B - Accounting Standard Change

Accounting Standards Update 2016-13, Financial Instruments - Credit Losses (Topic 326) is effective for fiscal years beginning after December 15, 2022. The main objective of this update is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. To achieve this objective, the amendments in this update replace the incurred loss impairment methodology in current generally accepted accounting principles with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates, including exploring more forward-looking alternatives. The implementation of this standard has not materially affected the financial statements of the Organization.

NOTE C - Comparative Financial Information

The financial information shown for 2023 in the accompanying financial statements is included to provide a basis for comparison with 2024. The comparative information is summarized by total only, not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity to generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

NOTE D - Liquidity

Financial assets are those assets expected to be readily convertible to cash within one year of the statement of financial position date. Financial assets are available for general expenditures, liabilities and to pay other obligations as they become due. The Organization's operations are primarily funded through grants and donations which are received throughout the year. Donations to sponsor fundraising events are typically received near the time of the event. Grants and donations which are included in financial assets but restricted for use, reduce balances of liquid financial assets available for general operations. The Organization has a quasi-endowment fund which is board designated and excluded from financial assets due to the requirement of the board appropriation of such funds for use. The balance in the endowment fund of \$346,169 could be available for general operations if the board so designated it. In addition to its assets, the Organization has a \$150,000 line of credit that it may draw upon to meet any liquidity needs. The line of credit was not in use at June 30, 2024.

Financial assets are as follows as of June 30, 2024.

Cash and Cash Equivalents	\$389,837
Grants Receivable	59,959
Pledges Receivable - Current Portion	5,893
Less: Donations Received with Purpose Restrictions	<u>(10,000)</u>
Total	<u>\$445,689</u>

COALITION FOR CHILDREN, YOUTH & FAMILIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE E - Concentration of Risks

The Organization received 66% of its revenue from the Wisconsin Department of Children and Families for the year ended June 30, 2024. In addition, all grants receivable are from the Wisconsin Department of Children and Families. The concentration of revenue and receivables from one source represents a concentration of risk.

The Organization maintains cash balances at a bank. These balances are insured by the Federal Deposit Insurance Corporation for up to \$250,000 per financial institution. As of June 30, 2024, the uninsured portion of the balance was \$150,840.

NOTE F - Grants Receivable

Grants receivable consists of the following of \$59,959 due from the State of Wisconsin - Department of Children and Families as of June 30, 2024.

NOTE G - Fair Value Measurements and Investment Composition

The Organization has adopted the Financial Accounting Standards Board guidance on fair value measurements. A three-tier hierarchy is used to maximize the use of observable market data inputs and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets. Financial assets valued using Level 3 inputs are based primarily on valuation models with significant unobservable pricing inputs and which result in the use of management estimates.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2024:

<u>Investment Category</u>	<u>Fair Value</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Stock Funds	\$223,879	\$223,879	\$ ---	\$ ---
Bond Funds	118,414	118,414	---	---
Money Market Funds	<u>3,876</u>	<u>3,876</u>	---	---
Total Investments	\$346,169	\$346,169	\$ ---	\$ ---
Life Insurance Cash Surrender Value	<u>102,996</u>	---	---	<u>102,996</u>
Total	<u>\$449,165</u>	<u>\$346,169</u>	<u>\$ ---</u>	<u>\$102,996</u>

COALITION FOR CHILDREN, YOUTH & FAMILIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE G - Fair Value Measurements and Investment Composition (continued)

Change in Fair Value - Level 3 Assets

<u>Source</u>	<u>Amount</u>
Beginning Balance, July 1, 2023	\$ 97,300
Change in Cash Surrender Value	<u>5,696</u>
Ending Balance, June 30, 2024	<u>\$102,996</u>

NOTE H - Quasi Endowment Funds

Investment Policy

It is the policy of Coalition for Children, Youth & Families, Inc. to maintain an investment fund, which includes a board-designated endowment fund to be used to support the mission and programs of the Organization, as designated for such purposes by the board of directors, and which may from time to time include other funds that are restricted as to their use by the donor or the board of directors. Expenditures of funds may only be undertaken with the board's explicit prior approval.

The board of directors has determined that it is prudent and in the best interests of the Organization to invest these funds with outside investment managers with the following guidelines:

Return objectives:

1. To preserve and enhance the purchasing power of the fund principal.
2. To provide stability to the financial needs of the Organization and to provide sufficient liquidity through the board designated fund, as determined by the board of directors, to meet the budgeted spending requirements of the Organization for each fiscal year as well as unanticipated circumstances that may arise.

Return and risk parameters reflecting a long time horizon:

1. It is expected that the fund will follow a balanced investment approach consistent with the goal of generating a 6% to 8% compound annual return over the fund's investment horizon.
2. The possibility of short-term declines in market value is acceptable in order to achieve potentially higher long-term investment returns.
3. The fund's assets are to be sufficiently diversified to reduce volatility.

COALITION FOR CHILDREN, YOUTH & FAMILIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE H - Quasi Endowment Funds (continued)

Investment Policy (continued)

4. Diversification of assets may be achieved by:
 - a. Allocating assets to multiple asset classes;
 - b. Allocating assets among various investment styles; and
 - c. Retaining multiple investment management firms with complementary investment philosophies, styles and approaches.
5. It is expected that liquidity will be available on an as needed basis.

Policy for Appropriation of Funds

The funding from the endowment may be used across a wide spectrum of planned and unplanned agency strategic objectives, including core services, customer service initiatives, all program management, information technology, financial reporting, fundraising and development, external contracting and inter-agency partnerships.

Net Asset Composition

Endowment net asset composition by type of fund as of June 30, 2024, is as follows:

Board Designated Net Assets

Stock Funds	\$223,879
Bond Funds	118,414
Money Market Funds	<u>3,876</u>
Total Endowment Funds	<u>\$346,169</u>

Changes in endowment net assets as of June 30, 2024, are as follows:

	<u>Board Designated</u>
Endowment Net Assets, Beginning of Year	\$366,389
Investment Return	29,780
Withdrawal	<u>(50,000)</u>
Endowment Net Assets, End of Year	<u>\$346,169</u>

NOTE I - Unemployment Reserve Fund

The Organization has adopted the reimbursement method for state unemployment compensation purposes and participates through a pooled fund held at First Nonprofit Unemployment Savings Program, LLC. The Organization is billed monthly based on actual unemployment costs incurred. The fund also requires the Organization hold a fund balance. The June 30, 2024, fund balance was \$33,883.

COALITION FOR CHILDREN, YOUTH & FAMILIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE J - Life Insurance

The Organization is the owner and beneficiary of a \$272,694 whole life insurance policy on a board member. The cash surrender value as of June 30, 2024, was \$102,996.

NOTE K - Intangible Assets, Net of Amortization

Intangible assets presented on the statement of financial position as of June 30, 2024, consist of the following:

<u>Amortized Asset</u>	<u>Gross Value</u>	<u>Accumulated Amortization</u>	<u>Residual Value</u>	<u>Life</u>
Website	<u>\$73,228</u>	<u>\$61,692</u>	<u>\$11,536</u>	7 years

Estimated amortization expense for each of the next five years is as follows:

<u>For the Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 6,746
2026	1,815
2027	1,190
2028	1,190
2029	<u>595</u>
Total	<u>\$11,536</u>

NOTE L - Leasing Activities

Operating Leases

The Organization leases office space in a building located at 6737 W. Washington Street, West Allis, Wisconsin. The original term of the lease extends from October 2021 through September 2026. The lease has an option to renew for one five year term, from October 2026 through September 2031. The Organization is reasonably certain to exercise the renewal option and therefore the renewal term is included in the lease term and right-of-use asset. The Organization used the risk-free interest rate on the lease.

Finance Leases

The Organization has one finance lease obligation for a postage meter. The postage meter is amortized over the life of its respective lease. The cost of \$11,305 for the postage meter is included as a right-of-use asset. As of June 30, 2024, \$1,082 is included in accumulated amortization for the postage meter. The Organization used the risk-free interest rate to determine the value of right-of-use asset and obligation for finance lease.

COALITION FOR CHILDREN, YOUTH & FAMILIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE L - Leasing Activities (continued)

Lease Term and Discount Rate

The weighted average discount rate for operating leases is:	1.46 %
The weighted average remaining lease term in years for operating leases is:	7.25 years
The weighted average discount rate for finance leases is:	4.00%
The weighted average remaining lease term in years for finance leases is:	4.53 years

Lease Cost and Cash Flow Information

The following summarizes the line items in the statements of activities which include the components of lease expense for the year ended June 30, 2024:

	<u>Amount</u>
Operating Lease Costs:	
Rent Expense	\$77,045
Finance Lease Costs:	
Amortization of Lease Assets	\$ 1,082
Interest on Lease Liabilities	\$ 203

The following summarizes cash flow information related to leases for the year ended June 30, 2024:

	<u>Amount</u>
Operating Cash Flows from Operating Leases	\$70,595
Operating Cash Flows from Finance Leases	\$ 203
Financing Cash Flows from Finance Leases	\$ 2,818

Maturities of Operating Leases

The maturities of operating lease liabilities as of June 30, 2024, were as follows:

<u>For the Year Ended</u>	<u>Payment</u>	<u>Discount</u>	<u>Lease Obligation</u>
June 30 2025	\$ 72,713	\$ 7,510	\$ 65,203
June 30 2026	74,895	6,533	68,362
June 30 2027	77,141	5,508	71,633
June 30 2028	79,456	4,447	75,009
June 30 2029	81,840	3,311	78,529
Thereafter	192,983	3,069	189,914
	<u>\$ 579,028</u>	<u>\$ 30,378</u>	<u>\$ 548,650</u>

COALITION FOR CHILDREN, YOUTH & FAMILIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE L - Leasing Activities (continued)

Maturities of Finance Leases

The maturities of finance lease liabilities as of June 30, 2024, were as follows:

<u>For the Year Ended</u>	<u>Payment</u>	<u>Discount</u>	<u>Lease Obligation</u>
June 30 2025	\$ 2,490	\$ 366	\$ 2,124
June 30 2026	2,490	280	2,210
June 30 2027	2,490	190	2,300
June 30 2028	2,490	95	2,395
June 30 2029	1,245	11	1,234
	<u>\$ 11,205</u>	<u>\$ 942</u>	<u>\$ 10,263</u>

Other Leasing Activities

The Organization pays \$100 per month for storage at 6737 W. Washington Street, West Allis, Wisconsin.

NOTE M - Line of Credit

The Organization has a variable rate revolving line of credit with an available balance of \$150,000. The agreement requires a monthly payment of all accrued unpaid interest, and the lender has the right to cancel the line of credit as it relates to future advances at any time without notice and to demand payment upon 90 days of advance notice. Interest on the outstanding balance is based on the prime rate plus .25% (the loan rate was 8.75% as of June 30, 2024). The line of credit had no balance as of June 30, 2024.

NOTE N - Net Assets With Donor Restrictions

Net assets with donor restrictions consists of the following as of June 30, 2024:

<u>Purpose Restricted:</u>	<u>Amount</u>
Statewide Kinship Support Group	\$10,000
Gala In-Kind Goods	<u>7,012</u>
Total	<u>\$17,012</u>

NOTE O - Conditional Contributions

The Organization has a contract with the government which includes specific use stipulations requiring funds be used only on qualifying expenses determined by the grant contract and allowable cost policies. The Organization will not receive the grant funds unless spent on the required activity and within the allowable cost guidance. As of June 30, 2024, the Organization has available grant funds of \$980,079, available for the Statewide Family Connections Program which are available through June 2025.

COALITION FOR CHILDREN, YOUTH & FAMILIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE P - Revenue from Contracts with Customers

Special Events

The Organization held a gala and golf event during the year ended June 30, 2024. The Organization receives revenue including an exchange component and contribution component from registration and sponsorships. The Organization provides food and entertainment to attendees. In addition, attendees may purchase raffles tickets and auction items which are also considered to be received in exchange for the items provided. Exchange revenue is earned and recorded as revenue at the time of the event. Contributions are recorded as revenue when received or pledged and included in net assets with donor restrictions until the time of the event. Special event revenue was \$215,060 during the year ended June 30, 2024, and of that \$88,490 is considered to be received in exchange for food, entertainment, raffle and auction items provided. There were no assets or obligations related to the special events at June 30, 2023, or June 30, 2024.

Conferences, Classes and Service Contracts

The Organization provides conferences and classes and services for which fees are received in exchange for conferences or classes provided. Revenue is recorded at the point in time that the conferences or classes are held. If more than one class is in a series, revenue is recorded equally over the classes provided in the series. Revenue related to conferences, classes and service contracts was \$23,037 for the year ended June 30, 2024. There were no assets or obligations related to the services at June 30, 2023, or June 30, 2024.

NOTE Q - Related Party Transactions

The Organization received donations from officers, trustees and related organizations during the year ended June 30, 2024, totaling \$43,154.

NOTE R - Donated Goods and Services

The Organization received donated goods and services that were valued based on retail prices.

During the year ended June 30, 2024, the donated goods and services were as follows:

<u>Donated Goods or Service</u>	<u>Value</u>
Advertising and Outreach	\$ 13,833
Professional Services	37,850
Other	<u>550</u>
Subtotal of Donations Used for Operations	\$ 52,233
Gala Goods, Services, and Space	9,393
Golf Services	<u>675</u>
Total Donated Goods and Services	<u>\$ 62,301</u>

COALITION FOR CHILDREN, YOUTH & FAMILIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE S - Retirement Plans

The Organization makes retirement contributions to a Simplified Employee Pension (SEP) plan. The Organization contributed 1% of employee wages totaling \$5,545 for the year ended June 30, 2024. The Organization also maintains a Section 403(b) retirement plan to which employees may contribute funds.

NOTE T - Advertising Costs

The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as the advertising takes place. Advertising expense, including donated advertising, for the year ended June 30, 2024, was \$44,447.

NOTE U - Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. Management has reviewed all tax positions recognized in previously filed tax returns and those expected to be taken in future tax returns. As of June 30, 2024, the Organization had no amounts related to unrecognized income tax benefits and no amounts related to accrued interest and penalties. The Organization does not anticipate any significant changes to unrecognized income tax benefits over the next year.

NOTE V - Subsequent Events

The Organization has evaluated events and transactions occurring after June 30, 2024, through December 5, 2024, the date the financial statements are available to be issued, for possible adjustments to the financial statements or disclosures. The Organization has determined that no subsequent events need to be disclosed.

COALITION FOR CHILDREN, YOUTH & FAMILIES, INC.
SCHEDULE OF PROGRAM REVENUE AND EXPENSES - WITHOUT DONOR RESTRICTIONS
FOR THE YEAR ENDED JUNE 30, 2024
(With Summarized Totals for the Year Ended June 30, 2023)

	Answer Place	Support Highway	Other Programs	Fundraising	2024 Total	2023 Total
REVENUE						
State of Wisconsin						
Department of Children and Families	\$ 913,823	\$ ---	\$ ---	\$ ---	\$ 913,823	\$ 1,023,463
Contributions	---	---	---	76,369	76,369	70,571
Fundraising Events						
Fundraising Income	---	---	---	208,048	208,048	261,524
Fundraising Expenses	---	---	---	(62,959)	(62,959)	(101,289)
Conference, Classes, and Service Contracts	3,715	19,222	100	---	23,037	27,184
Donated Services	29,160	3,110	14,389	5,574	52,233	212,178
Community Shares of						
Greater Milwaukee	---	---	---	4,711	4,711	4,467
Interest Income	---	---	3,472	---	3,472	24
Net Return on Investments	---	---	---	33,608	33,608	34,648
Other Income	216	---	954	---	1,170	1,369
Net Assets Released from Restrictions	---	34,312	---	---	34,312	58,448
Total Revenue	<u>\$ 946,914</u>	<u>\$ 56,644</u>	<u>\$ 18,915</u>	<u>\$ 265,351</u>	<u>\$ 1,287,824</u>	<u>\$ 1,592,587</u>
EXPENSES						
Salaries and Wages	\$ 517,535	\$ 51,733	\$ 95,796	\$ 24,638	\$ 689,702	\$ 657,551
Retirement Expense	4,802	431	84	228	5,545	5,785
Fringe Benefits	62,257	5,540	707	3,208	71,712	68,317
Payroll Taxes	41,548	4,308	3,642	1,902	51,400	49,236
Staff Training and Development	6,394	1,138	1,127	1,386	10,045	20,262
Subcontractor Expense	8,771	2,551	33,785	5,493	50,600	13,955
Professional Services	19,502	1,214	11,238	700	32,654	33,361
Printing and Publications	3,053	163	30	5,974	9,220	18,120
Conference and						
Event Coordination	708	7,927	1,142	85	9,862	24,211
Resource Library Investment	335	---	---	---	335	516
Program Activity Costs	1,057	1,550	970	118	3,695	12,202
Advertising	58,280	---	---	---	58,280	255,228
Travel	13,393	481	1,464	120	15,458	9,957
Dues and Subscriptions	5,073	472	3,280	624	9,449	8,310
Technology	91,871	6,734	1,843	5,196	105,644	99,665
Telephone	5,343	414	738	210	6,705	6,812
Office Supplies and Expense	2,466	228	162	88	2,944	2,373
Postage	604	2	152	1,565	2,323	5,219
Rent	67,984	6,025	7,661	3,434	85,104	89,716
Licenses and Permits	600	---	741	---	1,341	1,427
Interest Expense	2,911	179	42	125	3,257	1,367
Amortization and Depreciation Expense	12,500	1,143	(1,121)	801	13,323	14,435
Insurance	16,812	1,494	303	859	19,468	17,478
Miscellaneous Expense	546	1,404	12,184	---	14,134	13,839
Total Expenses	<u>\$ 944,345</u>	<u>\$ 95,131</u>	<u>\$ 175,970</u>	<u>\$ 56,754</u>	<u>\$ 1,272,200</u>	<u>\$ 1,429,342</u>
CHANGE IN NET ASSETS	<u>\$ 2,569</u>	<u>\$ (38,487)</u>	<u>\$ (157,055)</u>	<u>\$ 208,597</u>	<u>\$ 15,624</u>	<u>\$ 163,245</u>