

Assurance

COMMUNITY ORGANIZING AND FAMILY ISSUES

Audited Consolidated Financial Statements

Years Ended September 30, 2022 and 2021

LOCAL
KNOWLEDGE,
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EXPERTISE

**COMMUNITY ORGANIZING AND FAMILY ISSUES
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Community Organizing and Family Issues

Opinion

We have audited the accompanying consolidated financial statements of Community Organizing and Family Issues (a not-for-profit organization), which comprise the consolidated statements of financial position as of September 30, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Organizing and Family Issues as of September 30, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Organizing and Family Issues and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 Community Organizing and Family Issues' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 Community Organizing and Family Issues' 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 Community Organizing and Family Issues' 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 audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and consolidating statement of activities are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits 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.

PKF Mueller

Orland Park, Illinois
February 27, 2023

**COMMUNITY ORGANIZING AND FAMILY ISSUES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2022 AND 2021**

ASSETS

	2022	2021
Cash	\$ 3,673,967	1,715,932
Receivables:		
Foundation grants	926,630	929,479
Government grants	450,000	340,335
Other	9,883	2,825
Prepaid expenses	9,935	2,972
Security deposit	20,779	18,929
Furniture and equipment, less accumulated depreciation of \$58,642 and \$42,956 in 2022 and 2021, respectively	43,487	53,350
Total assets	\$ 5,134,681	3,063,822

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable	\$ 45,181	15,262
Accrued vacation and benefits	90,132	52,298
Deferred rent	52,363	43,547
Deferred revenue	10,750	30,350
Total liabilities	198,426	141,457

Net assets:

Without donor restrictions	3,090,966	789,781
With donor restrictions	1,845,289	2,132,584
Total net assets	4,936,255	2,922,365
Total liabilities and net assets	\$ 5,134,681	3,063,822

The accompanying notes are an integral part of the consolidated financial statements.

**COMMUNITY ORGANIZING AND FAMILY ISSUES
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

	2022			2021		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Support and revenue:						
Foundation grants	\$ 1,085,607	1,324,979	2,410,586	1,050,206	1,337,250	2,387,456
Government grants	778,297	40,310	818,607	665,850	19,500	685,350
Contributions	2,032,604	-	2,032,604	49,155	-	49,155
Contract income	79,823	-	79,823	49,115	-	49,115
Forgiveness of Paycheck Protection Program loan	-	-	-	190,264	-	190,264
In-kind contributions	31,540	-	31,540	30,000	-	30,000
Other income	19,214	-	19,214	8,804	-	8,804
Interest income	5,548	-	5,548	1,090	-	1,090
Net assets released from restrictions	1,652,584	(1,652,584)	-	711,083	(711,083)	-
Total support and revenue	<u>5,685,217</u>	<u>(287,295)</u>	<u>5,397,922</u>	<u>2,755,567</u>	<u>645,667</u>	<u>3,401,234</u>
Expenses:						
Program services	3,026,134	-	3,026,134	2,045,738	-	2,045,738
Supporting services:						
Management and general	243,326	-	243,326	211,003	-	211,003
Fundraising	114,572	-	114,572	98,910	-	98,910
Total expenses	<u>3,384,032</u>	<u>-</u>	<u>3,384,032</u>	<u>2,355,651</u>	<u>-</u>	<u>2,355,651</u>
Change in net assets	2,301,185	(287,295)	2,013,890	399,916	645,667	1,045,583
Net assets, beginning of year	789,781	2,132,584	2,922,365	389,865	1,486,917	1,876,782
Net assets, end of year	<u>\$ 3,090,966</u>	<u>1,845,289</u>	<u>4,936,255</u>	<u>789,781</u>	<u>2,132,584</u>	<u>2,922,365</u>

The accompanying notes are an integral part of the consolidated financial statements.

**COMMUNITY ORGANIZING AND FAMILY ISSUES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2022**

	<u>SUPPORTING SERVICES</u>			<u>TOTAL</u>
	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	
Salaries and benefits	\$ 1,711,572	137,350	94,561	1,943,483
Consulting fees	471,334	17,414	10,092	498,840
Depreciation	-	15,686	-	15,686
Fundraising	-	-	2,274	2,274
Insurance	-	9,257	-	9,257
Meetings	144,845	592	99	145,536
Miscellaneous	-	1,566	-	1,566
Occupancy	141,748	7,439	4,594	153,781
Office expenses	39,398	5,227	1,438	46,063
Printing and publications	13,337	1,088	186	14,611
Professional development	4,768	272	157	5,197
Professional fees	223,522	46,176	248	269,946
Supplies	46,328	784	373	47,485
Travel	<u>229,282</u>	<u>475</u>	<u>550</u>	<u>230,307</u>
Total expenses	<u>\$ 3,026,134</u>	<u>243,326</u>	<u>114,572</u>	<u>3,384,032</u>

The accompanying notes are an integral part of the consolidated financial statements.

**COMMUNITY ORGANIZING AND FAMILY ISSUES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2021**

	<u>SUPPORTING SERVICES</u>			<u>TOTAL</u>
	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	
Salaries and benefits	\$ 1,236,133	140,418	42,199	1,418,750
Consulting fees	337,351	-	32,187	369,538
Depreciation	-	12,410	-	12,410
Fundraising	-	-	3,440	3,440
Insurance	-	8,509	-	8,509
Meetings	19,573	110	10,650	30,333
Miscellaneous	121	5,160	-	5,281
Occupancy	114,454	9,332	3,303	127,089
Office expenses	60,517	5,751	3,139	69,407
Printing and publications	19,876	-	-	19,876
Professional development	7,215	195	1,252	8,662
Professional fees	206,990	28,713	117	235,820
Supplies	34,268	405	1,613	36,286
Travel	9,240	-	1,010	10,250
Total expenses	<u>\$ 2,045,738</u>	<u>211,003</u>	<u>98,910</u>	<u>2,355,651</u>

The accompanying notes are an integral part of the consolidated financial statements.

**COMMUNITY ORGANIZING AND FAMILY ISSUES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

	2022	2021
Cash provided (used) by operating activities:		
Change in net assets	\$ 2,013,890	1,045,583
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	15,686	12,410
Forgiveness of Paycheck Protection Program loan		(190,264)
Changes in:		
Receivables	(113,874)	(305,777)
Prepaid Expenses	(6,963)	15,497
Security deposit	(1,850)	-
Accounts payable	29,919	4,334
Accrued vacation and benefits	37,834	23,743
Deferred rent	8,816	21,053
Deferred revenue	(19,600)	30,350
Net cash provided by operating activities	1,963,858	656,929
Cash used by investing activities:		
Purchase of furniture and equipment	(5,823)	(27,699)
Net increase in cash	1,958,035	629,230
Cash, beginning of year	1,715,932	1,086,702
Cash, end of year	\$ 3,673,967	1,715,932
Noncash financing transactions:		
Forgiveness of Paycheck Protection Program loan	\$ -	190,264

The accompanying notes are an integral part of the consolidated financial statements.

**COMMUNITY ORGANIZING AND FAMILY ISSUES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

NOTE 1 - NATURE OF OPERATIONS

Community Organizing and Family Issues (COFI) is a not-for-profit corporation organized in the state of Illinois in 1995. COFI is dedicated to strengthening the voice of low-income families both at the community level and in the public policy arena to create more family supportive and family friendly communities in Illinois, primarily in the Chicagoland area.

Parents United for Change (PUFC) is a not-for-profit corporation organized in the state of Illinois in 2021. PUFC's purpose is to identify and address issues facing low-income families primarily in the East St. Louis, Illinois area. COFI is the sole corporate member of PUFC, therefore is required to be consolidated with COFI.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations (U.S. GAAP).

Principles of Consolidation

The accompanying consolidated financial statements (collectively, financial statements) include the accounts of COFI and PUFC. Together, COFI and PUFC will be referred to as "COFI." All significant interorganizational transactions and balances have been eliminated in consolidation.

Cash

For purposes of the consolidated statements of cash flows, COFI considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

COFI maintains its cash in bank deposits which, at times, may exceed federally insured limits. COFI believes it is not exposed to any significant credit risk on cash.

Accounts Receivable - Other

Accounts receivable are reported at the outstanding balance reduced by the allowance for doubtful accounts, if any. The allowance for doubtful accounts is increased by charges to income and decreased by chargeoffs (net of recoveries). Management's periodic evaluation of the adequacy of the allowance is based on COFI's past collection experience, known and inherent risks of the payers compromising receivables balances, adverse situations that may affect the payer's ability to pay, and current economic conditions. Receivables are charged off when management deems the receivable balance to be uncollectible. Based on a review of outstanding receivables, management determined that an allowance for doubtful accounts was not necessary at September 30, 2022 and 2021.

**COMMUNITY ORGANIZING AND FAMILY ISSUES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Foundation and Government Grants Receivable

COFI records grants receivable that are expected to be collected within one year at net realizable value. Grants receivable expected to be collected in future years are initially recorded at the present value of estimated future cash flows. In subsequent years, amortization of the discounts is included in contribution revenue in the consolidated statements of activities. COFI determines the allowance for uncollectible grants receivable based on historical experience, an assessment of economic conditions and a review of subsequent collections. Grants receivable are written off when deemed uncollectible. At September 30, 2022 and 2021, an allowance for uncollectible grants receivable was not deemed necessary.

Furniture and Equipment

Furniture and equipment have been recorded at cost if purchased or at fair value at time of donation if received as a gift. COFI capitalizes furniture and equipment over \$1,000 that have a useful life of more than one year. Depreciation of furniture and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred. The useful lives of furniture and equipment for purposes of computing depreciation are 3 to 5 years.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets 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-imposed restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-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 the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. COFI reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a 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 consolidated statements of activities as net assets released from restrictions.

**COMMUNITY ORGANIZING AND FAMILY ISSUES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Support and Revenue Recognition

Revenue from Contracts with Customers

COFI derives a minimal portion of its revenue from revenue sources that involve contracts with customers. Those sources include contract income for training and consulting. Revenues are recognized when control of these services is transferred to its customers in an amount that reflects the consideration COFI expects to be entitled to in exchange for those services.

Revenue from training and consulting is recognized at a point in time as this most accurately reflects the transfer of control. Training and consulting fees received in advance are deferred to the applicable period in which the related services are performed. COFI's single performance obligation relating to training and consulting is to provide the training or consulting on a specific date to an individual client. As a result, control transfers to the client on the date the training or consulting was held. Payments are generally due within thirty days. Payments received in advance are deferred to the applicable period in which the related services are performed.

Contract Balances

The timing of revenue recognition, billings, and cash collections results in billed accounts receivable and deferred revenue on the statements of financial position. The beginning and ending contract balances were as follows:

	<u>October 1, 2020</u>	<u>September 30, 2021</u>	<u>September 30, 2022</u>
Accounts receivable	\$ 2,575	2,825	9,883
Deferred revenue	\$ 0	30,350	10,750

Promises to Give

COFI recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. As of September 30, 2022 and 2021, there were no grants for which the conditions have not been satisfied.

**COMMUNITY ORGANIZING AND FAMILY ISSUES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Change in Accounting Principles – Contributed Nonfinancial Assets

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU improves financial reporting by providing new presentation and disclosure requirements, including presenting contributed nonfinancial assets (in-kind contributions) as a separate line item in the consolidated statements of activities apart from contributions of cash and other financial assets. The ASU also requires additional qualitative and quantitative disclosures about the nature, amount, restrictions, and policies surrounding the contributed nonfinancial assets. For the year ended June 30, 2022, COFI adopted the ASU on a retrospective basis and has adjusted the presentation in these financial statements accordingly.

In-Kind Contributions

COFI receives in-kind contributions from members of the community and volunteers related to program operations and fund-raising activities. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by COFI.

COFI recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation. COFI's policy related to in-kind contributions is to utilize the assets given to carry out the mission of COFI. If an asset is provided that does not allow COFI to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset. See Note 10 for a description of the valuation techniques utilized for COFI's in-kind contributions.

Functional Expenses

The costs of program and supporting service activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and supplies, which are allocated on a square footage basis, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort. The remainder of expenses are directly identified to the functional category to which it applies.

**COMMUNITY ORGANIZING AND FAMILY ISSUES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Accounting Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

COFI and PUFC have been determined to be exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and accordingly, no provision has been made for either federal or state income taxes.

COFI has evaluated the tax positions taken for all open tax years. Currently, the tax returns for the prior three years are open and subject to examination by the Internal Revenue Service; however, COFI is not currently under audit nor has COFI been contacted by this jurisdiction.

Based on the evaluation of COFI's tax positions, management believes all positions would be upheld under an examination; therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended September 30, 2022 and 2021.

New Accounting Standard – Leases

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The FASB also subsequently issued additional ASUs, which amend and clarify Topic 842. The most significant change in the new leasing guidance is the requirement to recognize right-of-use assets and lease liabilities for operating leases in the consolidated statements of financial position. The ASUs are effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. COFI is currently evaluating the methods of adoption allowed and the effect that adoption is expected to have on its financial statements and related disclosures.

New Accounting Standard – Credit Losses

In June 2016, the FASB issued guidance to change the accounting for credit losses. The guidance requires an entity to utilize a new impairment model known as the current expected credit loss ("CECL") model to estimate its lifetime "expected credit losses" and record an allowance that presents the net amount expected to be collected on the financial assets. The CECL framework is expected to result in earlier recognition of credit losses. The CECL framework is effective for fiscal years beginning after December 15, 2022. COFI is currently evaluating the effect that adoption is expected to have on its financial statements and related disclosures.

**COMMUNITY ORGANIZING AND FAMILY ISSUES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Management Evaluation of Going Concern

In accordance with U.S. GAAP, management performed an evaluation to determine if adverse conditions or events, considered in the aggregate, raise substantial doubt about COFI's ability to continue as a going concern for the one-year period from the date the financial statements were available to be issued. Management's evaluation did not identify any conditions or events that raise substantial doubt about COFI's ability to continue as a going concern for the period from February 27, 2023 to February 27, 2024.

Subsequent Events

Subsequent events have been evaluated through February 27, 2023, the date that the financial statements were available to be issued.

NOTE 3 - LIQUIDITY AND AVAILABILITY

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

	<u>2022</u>	<u>2021</u>
Financial assets at year-end:		
Cash	\$ 3,673,967	1,715,932
Receivables	<u>1,386,513</u>	<u>1,272,639</u>
Total financial assets	5,060,480	2,988,571
Less amounts not available for general expenditures within one year, due to:		
Net assets with time restrictions to be met in more than one year	<u>356,603</u>	<u>315,000</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,703,877</u>	<u>2,673,571</u>

COFI's goal is to maintain available financial assets sufficient to meet its general expenditures, liabilities, and other obligations as they become due.

**COMMUNITY ORGANIZING AND FAMILY ISSUES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

NOTE 4 - FOUNDATION AND GOVERNMENT GRANTS RECEIVABLE

COFI has received the following grants receivable which are recognized as assets in the statements of financial position. Grants receivable are expected to be collected in the following periods:

	2022	2021
Less than one year	\$ 1,020,027	954,814
One to five years	356,603	315,000
Total grants receivable	\$ 1,376,630	1,269,814

NOTE 5 - PAYCHECK PROTECTION PROGRAM LOAN

On April 23, 2020, COFI received loan proceeds in the amount of \$190,264 under the Paycheck Protection Program (PPP) established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act). PPP loans and accrued interest are forgivable to the extent the criteria established in the CARES Act are met. COFI applied for and received forgiveness of the full proceeds plus interest of the PPP loan.

COFI initially recorded a note payable and subsequently recorded forgiveness when the loan obligation was legally released in April 2021. COFI recognized revenue from forgiveness of PPP loan of \$190,264 for the year ended September 30, 2021.

The \$190,264 PPP loan and its forgiveness are subject to examination under the terms of the agreement with the Small Business Administration for a period of six years from the date the PPP loan is forgiven. COFI is not currently under examination nor has COFI been contacted.

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at September 30, 2022 and 2021 of \$1,845,289 and \$2,132,584, respectively, are to be used in future periods.

NOTE 7 - EMPLOYEE BENEFIT PLAN

COFI sponsors an Internal Revenue Code Section 403(b) retirement savings plan covering all employees who meet the eligibility requirements. The plan provides for discretionary employer contributions based on a percentage of each employee's deferred compensation. COFI made a discretionary matching contribution of \$22,015 and \$7,126 to the plan for the years ended September 30, 2022 and 2021, respectively.

**COMMUNITY ORGANIZING AND FAMILY ISSUES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

NOTE 8 - OPERATING LEASES

COFI leases office space under operating lease agreements that expire at various times through August 2030. The leases provides for monthly base rent payments plus its share of operating costs and real estate taxes. Rent is recognized on the straight-line basis over the term of the leases. Rent expense for the years ended September 30, 2022 and 2021 was \$147,543 and \$121,997, respectively, and is included in occupancy expense in the consolidated statements of functional expenses.

Future minimum lease payments required in years ending September 30 are as follows:

	2023		\$	137,010
	2024			141,493
	2025			134,153
	2026			121,687
	2027			124,662
	Thereafter			<u>391,834</u>
	Total		\$	<u><u>1,050,839</u></u>

NOTE 9 - RECLASSIFICATIONS

Certain amounts in the September 30, 2021 financial statements have been reclassified to conform to the September 30, 2022 presentation.

NOTE 10 - IN-KIND CONTRIBUTIONS

COFI received the following in-kind contributions for the years ended September 30:

	<u>2022</u>		<u>2021</u>
Consulting	\$ 30,000		30,000
Donated supplies	<u>1,540</u>		<u>-</u>
Total in-kind contributions	<u><u>\$ 31,540</u></u>		<u><u>30,000</u></u>

COFI was provided consulting services at no cost. Based on current market rates for consulting services, COFI would have paid \$30,000 for each of the years ended September 30, 2022 and 2021.

COFI received supplies with an estimated fair market value of \$1,540 and \$0 for the years ended September 30, 2022 and 2021, respectively. The supplies were used by needy families.

All in-kind contributions received by COFI for the years ended September 30, 2022 and 2021 were considered to be without donor restrictions and are able to be used by COFI as determined by the board of directors and management.

SUPPLEMENTARY INFORMATION

**COMMUNITY ORGANIZING AND FAMILY ISSUES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2022**

ASSETS

	COMMUNITY ORGANIZING AND FAMILY ISSUES	PARENTS UNITED FOR CHANGE	<u>ELIMINATIONS</u>	<u>CONSOLIDATED</u>
Cash	\$ 3,666,212	7,755	-	3,673,967
Receivables:				
Foundation grants	926,630	-	-	926,630
Government grants	450,000	-	-	450,000
Other	10,212	-	(329)	9,883
Prepaid expenses	9,935	-	-	9,935
Security deposit	20,779	-	-	20,779
Furniture and equipment, net	<u>43,487</u>	<u>-</u>	<u>-</u>	<u>43,487</u>
Total assets	<u>\$ 5,127,255</u>	<u>7,755</u>	<u>(329)</u>	<u>5,134,681</u>

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable	\$ 45,181	329	(329)	45,181
Accrued vacation and benefits	90,132	-	-	90,132
Deferred rent	52,363	-	-	52,363
Deferred revenue	<u>10,750</u>	<u>-</u>	<u>-</u>	<u>10,750</u>
Total liabilities	<u>198,426</u>	<u>329</u>	<u>(329)</u>	<u>198,426</u>

Net assets:

Without donor restrictions	3,083,540	7,426	-	3,090,966
With donor restrictions	<u>1,845,289</u>	<u>-</u>	<u>-</u>	<u>1,845,289</u>
Total net assets	<u>4,928,829</u>	<u>7,426</u>	<u>-</u>	<u>4,936,255</u>
Total liabilities and net assets	<u>\$ 5,127,255</u>	<u>7,755</u>	<u>(329)</u>	<u>5,134,681</u>

See Independent Auditor's Report.

**COMMUNITY ORGANIZING AND FAMILY ISSUES
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2022**

	COMMUNITY ORGANIZING AND FAMILY ISSUES			PARENTS UNITED FOR CHANGE	CONSOLIDATED		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Support and revenue:							
Foundation grants	\$ 1,023,107	1,324,979	2,348,086	62,500	1,085,607	1,324,979	2,410,586
Government grants	778,297	40,310	818,607	-	778,297	40,310	818,607
Contributions	2,032,604	-	2,032,604	-	2,032,604	-	2,032,604
Contract income	79,823	-	79,823	-	79,823	-	79,823
In-kind contributions	31,540	-	31,540	-	31,540	-	31,540
Other income	18,964	-	18,964	250	19,214	-	19,214
Interest income	5,548	-	5,548	-	5,548	-	5,548
Net assets released from restrictions	<u>1,652,584</u>	<u>(1,652,584)</u>	<u>-</u>	<u>-</u>	<u>1,652,584</u>	<u>(1,652,584)</u>	<u>-</u>
Total support and revenue	<u>5,622,467</u>	<u>(287,295)</u>	<u>5,335,172</u>	<u>62,750</u>	<u>5,685,217</u>	<u>(287,295)</u>	<u>5,397,922</u>
Expenses:							
Program services	2,980,927	-	2,980,927	45,207	3,026,134	-	3,026,134
Supporting services:							
Management and general	234,152	-	234,152	9,174	243,326	-	243,326
Fundraising	<u>113,629</u>	<u>-</u>	<u>113,629</u>	<u>943</u>	<u>114,572</u>	<u>-</u>	<u>114,572</u>
Total expenses	<u>3,328,708</u>	<u>-</u>	<u>3,328,708</u>	<u>55,324</u>	<u>3,384,032</u>	<u>-</u>	<u>3,384,032</u>
Change in net assets	2,293,759	(287,295)	2,006,464	7,426	2,301,185	(287,295)	2,013,890
Net assets, beginning of year	<u>789,781</u>	<u>2,132,584</u>	<u>2,922,365</u>	<u>-</u>	<u>789,781</u>	<u>2,132,584</u>	<u>2,922,365</u>
Net assets, end of year	<u>\$ 3,083,540</u>	<u>1,845,289</u>	<u>4,928,829</u>	<u>7,426</u>	<u>3,090,966</u>	<u>1,845,289</u>	<u>4,936,255</u>

See Independent Auditor's Report.