

KIDS MATTER INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Summarized Totals for the Year Ended December 31, 2022)

KIDS MATTER INC.

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Independent Auditor's Report

Board of Directors
Kids Matter Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Kids Matter Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2023, 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 Kids Matter Inc. as of December 31, 2023, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Kids Matter 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 opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Kids Matter 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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Board of Directors
Kids Matter Inc.

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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Kids Matter 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 Kids Matter 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.

Report on Summarized Comparative Information

We have previously audited Kids Matter Inc.'s December 31, 2022, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 28, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Board of Directors
Kids Matter Inc.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of income and expenses by grant is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and in accordance with the *State Single Audit Guidelines*, is presented for purposes of additional analysis and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2024, on our consideration of Kids Matter Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Kids Matter Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kids Matter Inc.'s internal control over financial reporting and compliance.


RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
October 28, 2024

**KIDS MATTER INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023
(With Summarized Totals for December 31, 2022)**

ASSETS

	2023	2022
CURRENT ASSETS		
Cash	\$ 1,006,793	\$ 641,656
Grants and Accounts Receivable	318,116	157,437
Prepaid Expenses	98	---
Total Current Assets	\$ 1,325,007	\$ 799,093
OTHER ASSETS		
Investments	\$ 2,633	\$ 43,158
Security Deposit	1,800	---
Total Other Assets	\$ 4,433	\$ 43,158
TOTAL ASSETS	\$ 1,329,440	\$ 842,251

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	\$ 2,577	\$ 3,031
Accrued Payroll Liabilities	51,569	54,878
Deferred Contract Revenue	200,725	2,279
Total Current Liabilities	\$ 254,871	\$ 60,188
NET ASSETS		
Without Donor Restrictions	\$ 1,006,536	\$ 760,842
Board-Designated Net Assets	5,782	7,178
With Donor Restrictions	62,251	14,043
Total Net Assets	\$ 1,074,569	\$ 782,063
TOTAL LIABILITIES AND NET ASSETS	\$ 1,329,440	\$ 842,251

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

KIDS MATTER INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Summarized Totals for the Year Ended December 31, 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
REVENUE				
Federal Grants	\$ 1,044,967	\$ ---	\$ 1,044,967	\$ 762,866
Individual Contributions	80,386	---	80,386	83,182
Corporate Contributions	22,358	---	22,358	5,510
Foundation Grants	147,489	62,251	209,740	95,500
Net Investment Return	16,364	---	16,364	(14,424)
Donated Materials	126,357	---	126,357	106,621
Donated Services	448,869	---	448,869	457,632
Net Assets Released from Restriction	14,043	(14,043)	---	---
Total Revenue	<u>\$ 1,900,833</u>	<u>\$ 48,208</u>	<u>\$ 1,949,041</u>	<u>\$ 1,496,887</u>
EXPENSES				
Program Services	\$ 1,566,529	\$ ---	\$ 1,566,529	\$ 1,327,796
Management and General	89,038	---	89,038	66,897
Fundraising	968	---	968	3,653
Total Expenses	<u>\$ 1,656,535</u>	<u>\$ ---</u>	<u>\$ 1,656,535</u>	<u>\$ 1,398,346</u>
CHANGE IN NET ASSETS	\$ 244,298	\$ 48,208	\$ 292,506	\$ 98,541
Net Assets, Beginning of Year	<u>768,020</u>	<u>14,043</u>	<u>782,063</u>	<u>683,522</u>
NET ASSETS, END OF YEAR	<u>\$ 1,012,318</u>	<u>\$ 62,251</u>	<u>\$ 1,074,569</u>	<u>\$ 782,063</u>

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

KIDS MATTER INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Summarized Totals for the Year Ended December 31, 2022)

	Program Services	Management and General	Fundraising	2023 Total	2022 Total
Salaries and Wages	\$ 727,622	\$ 22,318	\$ ---	\$ 749,940	\$ 603,749
Employee Benefits	80,926	103	---	81,029	14,249
Payroll Taxes	58,521	1,904	---	60,425	48,516
Professional Fees	1,690	30,427	---	32,117	15,720
Supplies	12,938	1,532	---	14,470	16,569
Telephone	6,997	1,421	---	8,418	8,031
Postage	1,201	605	---	1,806	1,801
Printing	742	2,532	---	3,274	143
Subscriptions	1,889	722	---	2,611	3,198
Occupancy	51,649	1,301	---	52,950	51,450
Utilities	6,227	509	---	6,736	5,239
Travel	12	867	---	879	3,490
Conferences, Conventions and Meetings	4,614	1,054	---	5,668	1,862
Insurance	8,548	212	---	8,760	8,849
Membership Dues	2,929	545	---	3,474	3,030
Emergency Client Support	902	---	---	902	3,241
Licenses and Fees	25	106	---	131	237
Technology Expense	27,635	17,825	---	45,460	35,163
Community Outreach	166	5	---	171	230
Donated Materials and Services	126,357	---	---	126,357	106,621
Volunteer Expense	384,318	4,373	---	388,691	398,545
Advertising	57,438	319	---	57,757	60,928
Fundraising Expenses	---	---	968	968	3,653
LVC/Americorp Expense	---	---	---	---	100
Other Expense	3,183	358	---	3,541	3,732
TOTAL EXPENSES	\$ 1,566,529	\$ 89,038	\$ 968	\$ 1,656,535	\$ 1,398,346

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

KIDS MATTER INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Summarized Totals for the Year Ended December 31, 2022)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 292,506	\$ 98,541
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Unrealized/Realized (Gain) Loss from Investments	(15,057)	14,831
Donated Stock	(4,109)	(4,755)
(Increase) Decrease in Grants and Accounts Receivable	(160,679)	11,371
(Increase) Decrease in Prepaid Expenses	(98)	3,951
(Increase) Decrease in Security Deposits	(1,800)	---
Increase (Decrease) in Accounts Payable	(454)	(13,470)
Increase (Decrease) in Deferred Contract Revenue	198,446	(1,401)
Increase (Decrease) in Accrued Payroll Liabilities	(3,309)	(27,920)
	<u>\$ 305,446</u>	<u>\$ 81,148</u>
Net Cash Provided by Operating Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	\$ (324)	\$ (407)
Proceeds from Sale of Investments	60,015	---
	<u>\$ 59,691</u>	<u>\$ (407)</u>
Net Cash Provided (Used) by Investing Activities		
Net Increase in Cash and Cash Equivalents	\$ 365,137	\$ 80,741
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>641,656</u>	<u>560,915</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,006,793</u>	<u>\$ 641,656</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Donated Stock	\$ 4,109	\$ 4,755

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

KIDS MATTER INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

**KIDS MATTER INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE A - Summary of Significant Accounting Policies

Organization

The mission of Kids Matter Inc. (the "Organization") is to help abused and neglected children heal and thrive, bring volunteer energy and community support to foster and kinship children, and apply lessons learned from helping children heal to prevent further child abuse.

Accounting Method

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

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 at purchase.

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 capitalizes items at a value of \$5,000.

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.

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.

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.

**KIDS MATTER INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE A - Summary of Significant Accounting Policies (continued)

Contributions and Grant Revenue (continued)

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.

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.

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.

Functional Expenses

The Organization allocates costs directly to program, management, or fundraising when appropriate. Certain expenses are attributable to one or more programs or supporting functions of the Organization. Those expenses include the executive director's salary and related facility cost which are allocated based on estimates of time and effort.

**KIDS MATTER INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE B - Accounting Standards Changes

Accounting Standards 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 GAAP 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 adoption of this standard did not have a material impact on the Organization's financial statements.

NOTE C - Comparative Financial Information and Reclassifications

The financial information shown for 2022 in the accompanying financial statements is included to provide a basis for comparison with 2023. 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 December 31, 2022, from which the summarized information was derived.

For comparability, certain 2022 amounts have been reclassified to conform to classifications adopted in 2023. The reclassifications have no effect on reported amounts of net assets or changes in net assets.

NOTE D - Liquidity

The Organization has liquid financial assets that may be used for general operations and to pay obligations as they become due. Liquid financial assets exclude assets that are required to be used for a certain purpose through contractual or donor restrictions. The Organization has liquid financial assets including cash and cash equivalents, grants, and pledges receivable. The Organization's revenue is received regularly throughout the year with receipts of cost reimbursed grants that are paid on a monthly basis.

The Organization has liquid financial assets available from the following at December 31, 2023:

<u>Source</u>	<u>Amount</u>
Cash and Cash Equivalents	\$1,006,793
Grants and Accounts Receivable	318,116
Less: Board Designated Assets	(5,782)
Less: Donor Restricted	<u>(62,251)</u>
Total Assets Available for Use	<u>\$1,256,876</u>

**KIDS MATTER INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE E - Concentration of Risk

The Organization maintains its cash balances at one financial institution. The Federal Deposit Insurance Corporation's (FDIC) insured balance for combined interest and noninterest-bearing accounts is \$250,000 per financial institution. At December 31, 2023, the Organization's total uninsured cash balances held in banks was \$556,985.

NOTE F - Grants and Accounts Receivable

Grants and accounts receivable consist of the following at December 31, 2023:

<u>Source</u>	<u>Amount</u>
Wisconsin Department of Justice - VOCA	\$139,629
Wisconsin Trust Account Foundation	170,658
Other Receivables	<u>7,829</u>
Total	<u>\$318,116</u>

NOTE G - Conditional Contributions and Grants

The Organization has several contracts with the government which include specific use stipulations requiring funds be used only on qualifying expenses determined by the grant contracts 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 December 31, 2023, the Organization's conditional grants consist of the following:

<u>Grant</u>	<u>Grant Period</u>	<u>Balance Available</u>
Child Crime Victim Services Program	10/1/2023 - 9/30/2024	\$ 550,927
Temporary Assistance to Needy Families Program	7/1/2023 - 6/30/2024	31,188
Coronavirus State and Local Fiscal Recovery Funds	7/1/2023 - 6/30/2024	333,732
Relative Caregiver Support	10/1/2023 - 9/30/2024	9,950
Equitable Recovery Grant	3/3/2021 - 12/31/2024	<u>200,725</u>
Total Grants Available in Future Periods		<u>\$ 1,126,522</u>

**KIDS MATTER INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE H - 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 December 31, 2023:

<u>Investment Category</u>	<u>Fair Value</u>	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and Cash Equivalents				
Held in Investment Accounts	\$ 961	\$ 961	\$ ---	\$ ---
Equities	<u>1,672</u>	<u>1,672</u>	---	---
Total	<u>\$2,633</u>	<u>\$2,633</u>	<u>\$ ---</u>	<u>\$ ---</u>

NOTE I - Deferred Contract Revenue

Deferred contract revenue includes funds received for future activities and consists of the following at December 31, 2023:

<u>Source</u>	<u>Amount</u>
ERG Funds	<u>\$200,725</u>
Total	<u>\$200,725</u>

NOTE J - Donated Goods and Services

The Organization receives both donated goods and services during the year that either serve specific program purposes or are utilized for general operational support. The Organization utilized all donated goods and services received during the year. Donated materials, registrations, trainings and travel are valued by comparing to similar priced items and services in the local marketplace. Donated volunteer services are valued by using corresponding professional rates charged in the local marketplace. Donated advertising and technology services are valued using the local marketplace for similar services.

**KIDS MATTER INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE J - Donated Goods and Services (continued)

For the year ended December 31, 2023, donated goods and services consisted of the following:

<u>Donated Good/Service</u>	<u>Purpose</u>	<u>Amount</u>
Materials	Client Assistance	\$ 126,357
Volunteer Services	Program Training	7,800
Volunteer Services	General Organization	20,860
Volunteer Program Hours	Programs	346,400
Advertising	General Organization	57,273
Technology Services	General Organization	<u>16,536</u>
Total Donated Goods and Services		<u>\$ 575,226</u>

NOTE K - Operating Lease

The Organization leases office space in Milwaukee, Wisconsin. The lease expired in June 2018 and is continuing on a month-to-month basis. Total rent expense was \$52,950 for the year ended December 31, 2023.

NOTE L - Board-Designated Net Assets

The Organization has board-designated net assets of \$5,782 for the purpose of an employee wellness plan as of December 31, 2023.

NOTE M - Net Assets with Donor Restrictions

Net assets with donor restrictions as of December 31, 2023, consisted of \$62,251 of grants restricted for time and purpose.

NOTE N - 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 December 31, 2023, 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 O - Subsequent Events

The Organization has evaluated events and transactions occurring after December 31, 2023, through October 28, 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.

**KIDS MATTER INC.
SCHEDULE OF INCOME AND EXPENSES BY GRANT
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Child Crime Victim Services	Child Crime Victim Services	Child Crime Victim Services	Temporary Assistance to Needy Families	Temporary Assistance to Needy Families	Equitable Recovery Grant	Relative Caregiver Support Groups	Coronavirus State and Local Recovery	
	State of Wisconsin Department of Justice 10/1/2022-9/30/2023 1/1/2023-9/30/2023	State of Wisconsin Department of Justice 10/1/2023-9/30/2024 10/1/2023-12/31/2023	State of Wisconsin Department of Justice	Wisconsin Trust Account Foundation, Inc. 7/1/2022-6/30/2023 1/1/2023-6/30/2023	Wisconsin Trust Account Foundation, Inc. 7/1/2023-6/30/2024 7/1/2023-12/31/2023	State of Wisconsin Department of Administraion 3/3/2021-12/31/2024 1/1/2023-12/31/2023	Wisconsin Trust Account Foundation, Inc. 10/1/2022-9/30/2023 1/1/2023-9/30/2023	Wisconsin Trust Account Foundation, Inc. 4/1/2022-6/30/2024 1/1/2023-12/31/2023	2023 Total
Revenues									
Federal Grants	\$ 512,772	\$ 139,629	\$ 2,236	\$ 17,891	\$ 7,848	\$ 97,125	\$ 13,290	\$ 254,176	\$ 1,044,967
TOTAL REVENUES	\$ 512,772	\$ 139,629	\$ 2,236	\$ 17,891	\$ 7,848	\$ 97,125	\$ 13,290	\$ 254,176	\$ 1,044,967
Expenses									
Salaries and Wages	\$ 351,470	\$ 85,876	\$ ---	\$ 9,577	\$ 5,623	\$ 67,704	\$ 9,262	\$ 161,614	\$ 691,126
Employee Benefits	42,566	16,593	---	2,113	38	1,246	72	22,520	85,148
Payroll Taxes	28,746	6,587	---	820	430	5,380	754	12,878	55,595
Professional Fees	13,365	3,591	---	91	238	4,009	520	6,053	27,867
Supplies	4,101	297	1,167	1,611	20	951	132	4,698	12,977
Telephone	3,947	603	---	255	39	725	90	1,789	7,448
Postage	792	---	---	154	---	102	5	97	1,150
Printing	297	52	100	54	---	49	11	172	735
Subscriptions	911	174	---	79	12	125	27	420	1,748
Occupancy	23,029	6,135	---	1,303	404	4,198	653	10,479	46,201
Utilities	2,632	767	---	141	51	540	87	1,351	5,569
Travel	496	164	---	22	---	9	114	7	812
Conferences, Conventions and Meetings	1,898	23	---	---	2	281	40	845	3,089
Insurance	3,944	1,104	---	173	60	652	115	1,884	7,932
Membership Dues	531	425	---	23	---	125	15	1,183	2,302
Emergency Client Support	130	145	650	---	---	---	---	---	925
Licenses and Fees	20	---	---	3	---	---	---	---	23
Technology Expense	11,251	3,733	---	397	249	2,213	433	6,025	24,301
Community Outreach	134	---	---	18	---	---	1	---	153
Volunteer Expense	2,574	1,604	---	---	---	---	610	29	4,817
Advertising	---	---	319	---	---	---	---	---	319
Other Expense	1,509	463	---	96	10	417	10	284	2,789
Indirect Costs	18,429	11,293	---	1,549	672	8,399	1,221	21,848	63,411
TOTAL EXPENSES	\$ 512,772	\$ 139,629	\$ 2,236	\$ 18,479	\$ 7,848	\$ 97,125	\$ 14,172	\$ 254,176	\$ 1,046,437
NET INCOME	\$ ---	\$ ---	\$ ---	\$ (588)	\$ ---	\$ ---	\$ (882)	\$ ---	\$ (1,470)

KIDS MATTER INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Federal or State Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal ALN Number	Funding ID or Pass Through ID	Expenditures
FEDERAL EXPENDITURES			
U.S. Department of Justice Office for Victims of Crime			
State of Wisconsin Department of Justice			
VOCA: Child Crime Victim Services 2022-2023	16.575		\$ 439,115
VOCA: Child Crime Victim Services 2023-2024	16.575		80,437
VOCA: Child Crime Victim Services	16.575		<u>2,236</u>
Total ALN# 16.575			<u>\$ 521,788</u>
U.S. Department of Treasury			
State of Wisconsin Department of Justice			
Coronavirus State and Local Fiscal Recovery	21.027 - COVID		\$ 132,849
State of Wisconsin Department of Administration			
Coronavirus State and Local Fiscal Recovery	21.027 - COVID		97,125
Wisconsin Trust Account Foundation, Inc.			
Coronavirus State and Local Fiscal Recovery	21.027 - COVID		<u>254,176</u>
Total ALN# 21.027			<u>\$ 484,150</u>
U.S. Department of Health and Human Services			
Wisconsin Department of Children and Families			
Wisconsin Trust Account Foundation, Inc.			
Temporary Assistance to Needy Families	93.558		<u>\$ 25,739</u>
Total ALN# 93.558			<u>\$ 25,739</u>
Wisconsin Department of Children and Families			
Wisconsin Trust Account Foundation, Inc.			
Relative Caregiver Support Groups	93.556		<u>\$ 13,290</u>
Total ALN# 93.556			<u>\$ 13,290</u>
TOTAL FEDERAL EXPENDITURES			<u><u>\$ 1,044,967</u></u>

The accompanying notes are an integral part of this schedule.

KIDS MATTER INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
DECEMBER 31, 2023

NOTE 1 - Basis of Presentation

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Kids Matter, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and in accordance with the *State Single Audit Guidelines*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Pass-through entity identifying numbers are presented where available.

NOTE 2 - De Minimis Cost Rate

The Organization has elected to use the 10% de minimis cost rate. All indirect costs are allocated to programs based on an allowable indirect cost allocation.

Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With Government Auditing Standards

To the Board of Directors
Kids Matter Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Kids Matter Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated October 28, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Kids Matter Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Kids Matter Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Kids Matter Inc.'s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kids Matter Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
October 28, 2024

Independent Auditor's Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors of
Kids Matter Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Kids Matter Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Kids Matter Inc.'s major federal programs for the year ended December 31, 2023. Kids Matter Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Kids Matter Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Kids Matter Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Kids Matter Inc.'s compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control Over Compliance

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

To the Board of Directors of
Kids Matter Inc.
Page Three

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
October 28, 2024

Independent Auditor's Report on Compliance for Each Major State Program
and on Internal Control Over Compliance Required by the *State Single Audit Guidelines*

To the Board of Directors of
Kids Matter Inc.

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Kids Matter Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *State Single Audit Guidelines* that could have a direct and material effect on each of Kids Matter Inc.'s major state programs for the year ended December 31, 2023. Kids Matter Inc.'s major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Kids Matter Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Our responsibilities under those standards and the *State Single Audit Guidelines* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Kids Matter Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *State Single Audit Guidelines* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Kids Matter Inc.'s compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *State Single Audit Guidelines*, we:

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

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

Report on Internal Control Over Compliance

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

To the Board of Directors of
Kids Matter Inc.
Page Three

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.


RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
October 28, 2024

**KIDS MATTER INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? None Reported
- Significant deficiencies identified? None Reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? None Reported
- Significant deficiencies identified? None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a)? No

Identification of major programs:

U.S. Department of Justice Office for Victims of Crime
ALN #16.575 VOCA: Child Crime Victim Services
ALN# 21.027 Coronavirus State and Local Fiscal Recovery

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? No

**KIDS MATTER INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

State Awards

Internal control over major programs:

- | | |
|--|---------------|
| • Material weakness(es) identified? | None Reported |
| • Significant deficiencies identified? | None Reported |

Type of auditor's report issued on compliance for major programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with State Single Audit Guidelines?	No
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Identification of major state programs, not included under federal programs

None, all state programs were passed through from federal source funds.

Dollar threshold used to distinguish between Type A and Type B programs under the State Single Audit Guidelines:

Type A - \$250,000
Type B - \$62,500

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

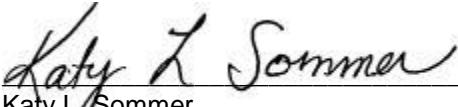
No matters were reported.

SECTION V - SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters were reported.

**KIDS MATTER INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

SECTION VI - OTHER ISSUES

- | | |
|--|--|
| 1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? | No |
| 2. Does the audit report show audit issues (i.e., material noncompliance, non-material noncompliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with applicable <i>State Single Audit Guidelines</i> ? | |
| Department of Children and Families | No |
| Department of Justice | No |
| Department of Administration | No |
| 3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? | No |
| 4. Name and signature of partner | 
Katy L. Sommer |
| 5. Date of report | October 28, 2024 |