

COMMUNITY ORGANIZING AND FAMILY ISSUES

**CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT**

SEPTEMBER 30, 2024

COMMUNITY ORGANIZING AND FAMILY ISSUES

**CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
AND SUPPLEMENTARY INFORMATION**

SEPTEMBER 30, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Community Organizing and Family Issues
2245 S Michigan Ave
Chicago, IL 60616

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Community Organizing and Family Issues, which comprise the consolidated statement of financial position as of September 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Community Organizing and Family Issues as of September 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 Auditors' Responsibilities for the Audit of the consolidated 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 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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.

Report on Summarized Comparative Information

The 2023 consolidated financial statements of Community Organizing and Family Issues were previously audited by Cherry Bekaert, LLP who expressed an unmodified opinion on those consolidated financial statements in their report dated March 25, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

PORTE BROWN LLC
Certified Public Accountants



Elk Grove Village, Illinois
February 28, 2025

COMMUNITY ORGANIZING AND FAMILY ISSUES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2024

(with comparative totals for September 30, 2023)

	2024	2023
ASSETS		
ASSETS		
Cash and cash equivalents	\$ 1,666,330	\$ 1,126,108
Investments	2,754,150	2,731,677
Receivables:		
Foundation grants	1,358,920	2,198,751
Government grants	338,621	345,874
Other	18,981	31,619
Prepaid expenses	9,160	47,879
Security deposit	20,779	20,779
Furniture and equipment, net	20,763	30,288
Operating right-of-use asset	627,187	719,622
TOTAL ASSETS	\$ 6,814,891	\$ 7,252,597
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 41,700	\$ 31,357
Accrued vacation and benefits	82,356	82,590
Deferred revenue	62,150	33,500
Operating lease liability	683,996	773,183
	870,202	920,630
NET ASSETS		
Without donor restrictions	3,186,761	3,141,205
With donor restrictions	2,757,928	3,190,762
	5,944,689	6,331,967
TOTAL LIABILITIES AND NET ASSETS	\$ 6,814,891	\$ 7,252,597

The accompanying notes are an integral part of these financial statements

COMMUNITY ORGANIZING AND FAMILY ISSUES

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2024

(with summarized information for the year ended September 30, 2023)

	2024			
	Without Donor Restrictions	With Donor Restrictions	Total	2023 Total
REVENUES AND SUPPORT				
Foundation grants	\$ 1,040,009	\$ 1,700,678	\$ 2,740,687	\$ 3,980,113
Government grants	905,039	-	905,039	636,450
Contributions	24,457	-	24,457	28,995
Contract income	87,080	-	87,080	84,037
In-kind contributions	45,549	-	45,549	45,345
Other income	16,200	-	16,200	22,365
Investment return	167,392	-	167,392	91,422
Net assets released from restriction	2,133,512	(2,133,512)	-	-
	<u>4,419,238</u>	<u>(432,834)</u>	<u>3,986,404</u>	<u>4,888,727</u>
EXPENSES				
Program services	3,811,137	-	3,811,137	3,040,591
Management and general	386,779	-	386,779	298,247
Fundraising services	175,766	-	175,766	154,177
	<u>4,373,682</u>	<u>-</u>	<u>4,373,682</u>	<u>3,493,015</u>
CHANGE IN NET ASSETS	45,556	(432,834)	(387,278)	1,395,712
NET ASSETS, BEGINNING OF YEAR	<u>3,141,205</u>	<u>3,190,762</u>	<u>6,331,967</u>	<u>4,936,255</u>
NET ASSETS, END OF YEAR	<u>\$ 3,186,761</u>	<u>\$ 2,757,928</u>	<u>\$ 5,944,689</u>	<u>\$ 6,331,967</u>

The accompanying notes are an integral part of these financial statements

COMMUNITY ORGANIZING AND FAMILY ISSUES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2024

(with summarized information for the year ended September 30, 2023)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising Services</u>	<u>2024 Total</u>	<u>2023 Total</u>
EXPENSES					
Salaries and benefits	\$ 1,891,668	\$ 239,769	\$ 143,230	\$ 2,274,667	\$ 2,003,780
Consulting fees	637,634	9,404	16,736	663,774	465,142
Depreciation	-	10,851	-	10,851	13,199
Fundraising	-	-	1,276	1,276	1,683
Insurance	-	9,798	-	9,798	7,657
Meetings	273,503	4,655	546	278,704	122,383
Miscellaneous	-	87	-	87	181
Occupancy	159,569	13,350	8,676	181,595	166,679
Office expenses	46,956	6,266	1,994	55,216	40,428
Printing and publications	35,347	893	650	36,890	4,432
Professional development	12,176	201	496	12,873	17,293
Professional fees	285,263	86,929	310	372,502	431,983
Supplies	69,379	2,087	174	71,640	28,585
Travel	399,642	2,489	1,678	403,809	189,590
TOTAL EXPENSES	<u>\$ 3,811,137</u>	<u>\$ 386,779</u>	<u>\$ 175,766</u>	<u>\$ 4,373,682</u>	<u>\$ 3,493,015</u>

The accompanying notes are an integral part of these financial statements

COMMUNITY ORGANIZING AND FAMILY ISSUES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

(with comparative totals for September 30, 2023)

	<u>2024</u>	<u>2023</u>
OPERATING ACTIVITIES		
Change in net assets	\$ (387,278)	\$ 1,395,712
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	10,851	13,199
(Gain) loss on investments	(22,473)	18,323
Reduction of right-of-use assets	92,435	81,862
Changes in:		
Receivables	859,722	(1,189,731)
Prepaid expenses	38,719	(37,944)
Accounts payable	10,343	(13,824)
Accrued vacation and benefits	(234)	(7,542)
Deferred revenue	28,650	22,750
Operating lease liabilities	<u>(89,187)</u>	<u>(80,664)</u>
Net cash provided by operating activities	<u>541,548</u>	<u>202,141</u>
INVESTING ACTIVITIES		
Purchase of fixed assets	(1,326)	-
Proceeds from investments	-	250,000
Purchase of investments	<u>-</u>	<u>(3,000,000)</u>
Net cash used by investing activities	<u>(1,326)</u>	<u>(2,750,000)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	540,222	(2,547,859)
BEGINNING CASH AND CASH EQUIVALENTS	<u>1,126,108</u>	<u>3,673,967</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 1,666,330</u>	<u>\$ 1,126,108</u>
SUPPLEMENTAL INFORMATION TO CASH FLOWS		
Cash paid during the year for:		
Income taxes	\$ -	\$ -
Noncash investing activities:		
Unrealized gain on investments	\$ 22,473	\$ -
Operating lease right-of-use asset obtained in exchange for operating lease liability	-	859,000

The accompanying notes are an integral part of these financial statements

COMMUNITY ORGANIZING AND FAMILY ISSUES

NOTES TO FINANCIAL STATEMENTS

NOTE A – 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 B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies is presented to assist in understanding COFI’s consolidated financial statements. The consolidated financial statements and notes are representations of COFI’s management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the consolidated financial statements.

BASIS OF ACCOUNTING

COFI maintains records on the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when the obligation is incurred.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of COFI and PUFC. Together, COFI and PUFC will be referred to as “COFI.” All significant intercompany accounts and transactions have been eliminated in consolidation.

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with generally accepted accounting principles in the United States of America 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Due to the inherent uncertainty involved in making estimates, actual results could differ from those estimates.

FINANCIAL STATEMENT PRESENTATION

In accordance with FASB ASC 958-205, "Not-for-Profit Entities Presentation of Financial Statements," COFI 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.

Net Assets without Donor Restrictions – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions and providing services less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

COMMUNITY ORGANIZING AND FAMILY ISSUES

NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL STATEMENT PRESENTATION (Continued)

Net Assets with Donor Restrictions – These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of donated assets, either temporarily or permanently, until the donor restriction expires, the net assets are restricted.

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class or functional allocation. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with COFI's consolidated financial statements for the year ended September 30, 2023 from which the summarized information was derived.

REVENUE RECOGNITION

COFI derives the majority of its revenue from contributions and grants. In accordance with FASB ASC 958-05-25 "Not-for-Profit Entities Revenue Recognition" contributions and grants, including unconditional promises, are recognized as revenues in the period received. Conditional promises are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. In addition, in accordance with FASB ASC 958-605, contributions and grants received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Net assets with donor restrictions are released to net assets without donor restriction upon satisfaction of the time or purpose of restriction.

Revenue from Contract 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 services. 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.

COMMUNITY ORGANIZING AND FAMILY ISSUES

NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

REVENUE RECOGNITION (Continued)

The following table disaggregates COFI's revenue from contracts with customers and noncontractual revenue for the years ended September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Contracts with customers	\$ 87,080	\$ 84,037
Noncontractual revenues	<u>3,731,932</u>	<u>4,713,268</u>
	<u>\$ 3,819,012</u>	<u>\$ 4,797,305</u>

COFI's contract revenue satisfied at a point in time totaled \$87,080 and \$84,037 for the years ended September 30, 2024 and 2023, respectively. Revenue from performance obligations satisfied at a point in time consists of training and consulting services.

The balances of contract receivables and liabilities from contracts with customers are as follows:

	<u>September 30, 2024</u>	<u>September 30, 2023</u>	<u>October 1, 2022</u>
Contract receivables	\$ 9,495	\$ 2,000	\$ 9,883
Contract liabilities	62,150	33,500	10,750

No impairment losses were incurred in the years ended September 30, 2024 and 2023 with respect to contract assets arising from contracts with customers.

NET ASSETS WITHOUT DONOR IMPOSED RESTRICTIONS

Net assets without donor restrictions are those funds presently available for use by or on behalf of COFI, including amounts available for management and general expenses. These net assets without donor restrictions may also include board-designated amounts. There were no board designated amounts as of September 30, 2024 and 2023.

COMMUNITY ORGANIZING AND FAMILY ISSUES

NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DONOR IMPOSED RESTRICTIONS

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions which increases that net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, COFI reports the support as without donor restrictions. Net assets with donor restrictions at September 30, 2024 and 2023 of \$2,757,928 and \$3,190,762, respectively, are restricted to be used in future periods. There were no net assets with donor restrictions that were restricted by purpose at September 30, 2024 and 2023.

Net assets released from restriction due the years ended September 30, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Expiration of time restrictions	<u>\$ 2,133,512</u>	<u>\$ 1,408,527</u>

IN-KIND CONTRIBUTIONS

COFI receives in-kind contributions of volunteer services and supplies related to program operations. 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 received the following contributions of nonfinancial assets for the year ending September 30, 2024:

	<u>2024</u>	<u>2023</u>
Consulting services	\$ 44,000	\$ 40,000
Program supplies	1,549	5,345
	<u>\$ 45,549</u>	<u>\$ 45,345</u>

Program supplies, which consist of gift boxes and other miscellaneous items, are valued at cost. Volunteer services are valued based on current rates of the contributing organization and is without restriction.

EXPENSE RECOGNITION AND ALLOCATION

COFI allocates its expenses on a functional basis among its various programs and supporting activities. Expenses that can be identified with a specific program or supporting activity are allocated directly according to their natural expenditure classification. Certain categories of expenses are attributable to more than one program or supporting function and are allocated 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 FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CASH AND CASH EQUIVALENTS

COFI considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

CONCENTRATION OF CREDIT RISK

COFI has cash and cash equivalents in excess of federally insured limits of \$250,000 at one banking institution. These amounts potentially subject COFI to credit risk if the banking institution fails. It is of the opinion of management that the solvency of the referenced financial institutions is not of a particular concern at this time.

GRANTS RECEIVABLE

Grants receivable consists of payments due from various Organizations and Foundations. COFI considers grants receivable to be fully collectible. Grants receivable are valued at management's estimate of the amount that will ultimately be collected.

ACCOUNTS RECEIVABLE

Trade accounts receivable from contract services are measured at amortized cost and do not bear interest, on short-term basis. COFI records an allowance for lifetime credit losses that are expected to be incurred as of the date that a receivable is originated. The allowance reduces the carrying amount of the receivables to the net amount expected to be collected over the assets' contractual term. The determination of the allowance requires management to collectively evaluate receivables by classifying them into pools that share similar risk characteristics such as risk rating, type of receivable, type of payor, contractual term, date of origination (vintage), etc. while individually evaluating such assets, if any, that do not possess risk characteristics similar to those in the identified pools.

COFI has designed and implemented credit-granting policies and standards intended to mitigate credit risk. Credit risk is assessed on an ongoing basis using both quantitative and qualitative analysis. Based on this analysis, credit limits are imposed, and a decision is made whether to use one or more credit support protection devices as management deems necessary.

The normal trade terms are 30 days from invoice date. COFI considers a receivable to be past due when the normal trade terms have been exceeded. When payments are received on past due accounts receivable, the payments are applied to the invoices designated by the customer or, in the absence of customer designation, to the outstanding invoices with the earliest invoice dates. Receivables are written off after all reasonable collection efforts have been exhausted. Write offs are recognized as a deduction from the allowance for credit losses. Amounts previously written off that are now expected to be recovered are included in the determination of the allowance for credit losses.

COMMUNITY ORGANIZING AND FAMILY ISSUES

NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimate of the required allowance for credit losses is based on:

- Available and relevant internal and/or external information about historical loss experience with similar assets,
- Current conditions, and, if applicable,
- Reasonable and supportable forecasts that affect the expected collectability of the reported amount of financial assets that have an extended contractual term.

As of September 30, 2024, COFI has recorded an allowance for credit losses of \$0. As of September 30, 2023, COFI has recorded an allowance for doubtful accounts of \$0. During 2024, there were no write offs, recoveries, or credit loss expenses.

PREPAID EXPENSES

Prepaid expenses consist of the following:

	<u>2024</u>	<u>2023</u>
Conferences	\$ 850	\$ 42,300
Insurance	3,335	3,066
Other	648	402
Training	1,663	640
Travel	2,664	1,471
	<u>\$ 9,160</u>	<u>\$ 47,879</u>

FIXED ASSETS

Fixed assets are stated at cost. Depreciation is calculated on a straight-line basis over the estimated lives of the related assets. COFI has adopted a policy to capitalize assets using a \$1,000 threshold.

Furniture and equipment and their respective lives are summarized below:

	<u>Lives in Years</u>	<u>2024</u>	<u>2023</u>
Furniture and equipment	5 - 10	\$ 103,455	\$ 102,129
Less: Accumulated depreciation		<u>(82,692)</u>	<u>(71,841)</u>
		<u>\$ 20,763</u>	<u>\$ 30,288</u>

Maintenance and repairs, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred. Gains and losses on dispositions of property and equipment are included in income.

COMMUNITY ORGANIZING AND FAMILY ISSUES

NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INVESTMENTS

Investment securities are stated at fair value based on quoted market prices or market prices for similar securities. Unrealized gains and losses are recognized based on the change in fair value and are reported as a component of investment income. Realized gains and losses are recognized using the average cost method and are reported as a component of investment income. In addition, external and direct internal expenses relating to investment activities have been netted against investment income.

Investments as of September 30, 2024 are as follows:

	Fair Value	Cost	Unrealized Gain/(Loss)
Certificates of deposit	\$ 2,754,150	\$ 2,750,000	\$ 4,150

Investments as of September 30, 2023 are as follows:

	Fair Value	Cost	Unrealized Gain/(Loss)
Certificates of deposit	\$ 2,731,677	\$ 2,750,000	\$ (18,323)

Investment income includes the following for the years ended September 30, 2024 and 2023:

	2024	2023
Interest and dividends	\$ 144,919	\$ 109,745
Unrealized gain/(loss) on investments	22,473	(18,323)
	\$ 167,392	\$ 91,422

INCOME TAXES

COFI is generally exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and similar state statutes. Accordingly, no provision for income tax expense is included in the accompanying consolidated financial statements. COFI has adopted the provision of ASC Topic 740, Income Taxes, relating to the accounting for uncertainty in income taxes. COFI files information returns in the U.S. federal jurisdiction, and the State of Illinois. Management is not aware of any uncertain tax positions.

COMMUNITY ORGANIZING AND FAMILY ISSUES

NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

RECLASSIFICATIONS

Reclassifications occurred to certain prior year amounts in order to confirm with the current year classifications. The reclassifications have no effect on reported change in net assets.

SUBSEQUENT EVENTS

COFI has evaluated subsequent events through February 28, 2025, the date which the consolidated financial statements were available to be issued.

NOTE C – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

COFI considers all expenditures related to its ongoing program activities, as well as the services undertaken to support those activities to be general expenditures. COFI regularly monitors liquidity required to meet its operation needs and other contractual commitments, while also striving to maximize the investment of its available funds. In addition to the financial assets available to meet general expenditures over the next year, COFI operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor restricted resources.

The following table show the total financial assets held by COFI and the amounts of which could readily be made available within one year of September 30, 2024 and 2023 to meet general expenditures:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,666,330	\$ 1,126,108
Investments	2,754,150	2,731,677
Receivables	<u>1,716,522</u>	<u>2,576,244</u>
Total financial assets	6,137,002	6,434,029
Less those unavailable for general expenditures within one year due to:		
Net assets with time restrictions to be met in more than one year	<u>712,500</u>	<u>808,393</u>
Financial assets available to meet general expenditures within one year	<u>\$ 5,424,502</u>	<u>\$ 5,625,636</u>

NOTE D – FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

COMMUNITY ORGANIZING AND FAMILY ISSUES

NOTES TO FINANCIAL STATEMENTS

NOTE D – FAIR VALUE MEASUREMENTS (Continued)

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at September 30, 2024.

Certificate of deposits: Valued at fair value based on similar instruments with comparable durations and considering the creditworthiness of the issuer.

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

Assets at fair value as of September 30, 2024 consist of:

	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ -	\$ 2,754,150	\$ -	\$ 2,754,150

Assets at fair value as of September 30, 2023 consist of:

	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ -	\$ 2,731,677	\$ -	\$ 2,731,677

COMMUNITY ORGANIZING AND FAMILY ISSUES

NOTES TO FINANCIAL STATEMENTS

NOTE E – RETIREMENT PLAN

COFI Sponsors and internal Revenue Code Section 403(b) retirement savings plan covering all employees who meet the eligibility requirements. The plan provides discretionary employer contributions based on a percentage of each employee's deferred compensation. COFI made a discretionary matching contribution of \$26,421 and \$19,155 to the plan for the years ended September 30, 2024 and 2023, respectively.

NOTE F – LEASE COMMITMENTS

COFI has entered into a lease commitment for office space used for its activities. The current terms of the lease provide for annual rents of approximately \$117,000 payable monthly, increasing to approximately \$143,000 throughout the life of the lease. COFI may also be responsible for operating expenses and real estate taxes, which exceed the base year defined in the lease. The expiration date of the lease is June 30, 2030. Lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Beginning in 2022, the operating lease assets and liabilities were calculated using the risk-free discount rate according to COFI's elected policy for all lease agreements.

According to COFI's elected policy, leases with an initial term of 12 months or less are not recorded on the balance sheet. Lease expense is recognized for these leases on a straight-line basis over the lease term. Short-term lease payments of \$25,600 are included in management and general expense for the year ended September 30, 2024.

The following summarizes the weighted average remaining lease term and discount rate as of December 31:

	<u>2024</u>	<u>2023</u>
Weighted Average Remaining Lease Term		
Operating leases	5.9 Years	6.9 Years
Finance leases		
Weighted Average Discount Rate		
Operating leases	3.79%	3.79%
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 117,108	\$ 114,134

COMMUNITY ORGANIZING AND FAMILY ISSUES

NOTES TO FINANCIAL STATEMENTS

NOTE F – LEASE COMMITMENTS (Continued)

The maturities of lease liabilities as of September 30, 2024 are as follows:

Year-ending December 31,	<u>Operating</u>
2025	\$ 118,837
2026	121,688
2027	124,662
2028	127,637
2029	142,509
2030	<u>133,586</u>
Total lease payments	768,919
Less: Interest	<u>(84,923)</u>
Present value of lease liabilities	<u><u>\$ 683,996</u></u>

NOTE G – ACCOUNTING CHANGE

MEASUREMENT OF CREDIT LOSSES ON FINANCIAL INSTRUMENTS

As of October 1, 2023, COFI adopted ASU 2016-13, Financial Instruments- Credit Losses (Topic 326) that replaced the incurred loss model for measuring the allowance for credit losses with a new model that reflects current expected credit losses (CECL) that are expected to occur over the lifetime of the underlying accounts receivable. The CECL methodology is applicable to financial assets that are measured at amortized cost, including accounts receivables. This estimate must be based on all relevant information, such as historical information, current conditions, and reasonable and supportable forecasts that could impact the collectability of the amounts. COFI adopted the changes in accounting for credit losses using a modified retrospective method. Under the modified retrospective approach, COFI had no change to the opening balances that included the date of initial application.



To the Board of Directors of
Community Organizing and Family Issues
2245 S Michigan Ave
Chicago, IL 60616

We have audited the consolidated financial statements of Community Organizing and Family Issues as of and for the year ended September 30, 2024 and our report, which expressed an unqualified opinion on those consolidated financial statements, appears on pages 1 and 2. Our audit was made for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedules of consolidating statements of financial position and activities, and the "Consolidated Year-End Financial Report" are presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. The "Consolidated Year-End Financial Report" on pages 21 and 22 is supplementary information required by the Illinois Grant and Accountability Transparency Act. 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

PORTE BROWN LLC
Certified Public Accountants

A handwritten signature in black ink that reads "Porte Brown LLC". The signature is written in a cursive, flowing style.

Elk Grove Village, Illinois
February 28, 2025

COMMUNITY ORGANIZING AND FAMILY ISSUES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2024

	Community Organizing and Family Issues	Parents United for Change	Eliminations	Totals
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
ASSETS				
Cash	\$ 1,639,130	\$ 27,200	\$ -	\$ 1,666,330
Investments	2,754,150	-	-	2,754,150
Receivables:				
Foundation grants	1,358,920	-	-	1,358,920
Government grants	338,621	-	-	338,621
Other	18,981	-	-	18,981
Due from subsidiary	26,294	-	(26,294)	-
Prepaid expenses	9,160	-	-	9,160
Security deposit	20,779	-	-	20,779
Furniture and equipment, net	20,763	-	-	20,763
Operating right-of-use asset	627,187	-	-	627,187
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	\$ 6,813,985	\$ 27,200	\$ (26,294)	\$ 6,814,891
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable	\$ 41,700	\$ -	\$ -	\$ 41,700
Accrued vacation and benefits	82,356	-	-	82,356
Deferred revenue	62,150	-	-	62,150
Due to parent	-	26,294	(26,294)	-
Operating lease liability	683,996	-	-	683,996
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	870,202	26,294	(26,294)	870,202
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET ASSETS				
Without donor restrictions	3,200,855	(14,094)	-	3,186,761
With donor restrictions	2,742,928	15,000	-	2,757,928
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	5,943,783	906	-	5,944,689
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND NET ASSETS	\$ 6,813,985	\$ 27,200	\$ (26,294)	\$ 6,814,891
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

See independent auditor's report on supplementary information

COMMUNITY ORGANIZING AND FAMILY ISSUES

CONSOLIDATING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Community Organizing and Family Issues</u>			<u>Parents United for Change</u>			<u>Eliminations</u>	<u>Consolidated</u>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>		<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Totals</u>
REVENUES AND SUPPORT										
Foundation grants	\$ 882,509	\$ 1,685,678	\$ 2,568,187	\$ 157,500	\$ 15,000	\$ 172,500	\$ -	\$ 1,040,009	\$ 1,700,678	\$ 2,740,687
Government grants	894,039	-	894,039	11,000	-	11,000	-	905,039	-	905,039
Contributions	21,315	-	21,315	3,142	-	3,142	-	24,457	-	24,457
Contract income	87,080	-	87,080	-	-	-	-	87,080	-	87,080
Management fee income	225,100	-	225,100	-	-	-	(225,100)	-	-	-
In-kind contributions	45,362	-	45,362	187	-	187	-	45,549	-	45,549
Other income	16,200	-	16,200	-	-	-	-	16,200	-	16,200
Investment return	167,392	-	167,392	-	-	-	-	167,392	-	167,392
Net assets released from restriction	2,133,512	(2,133,512)	-	-	-	-	-	2,133,512	(2,133,512)	-
	<u>\$ 4,472,509</u>	<u>\$ (447,834)</u>	<u>\$ 4,024,675</u>	<u>\$ 171,829</u>	<u>\$ 15,000</u>	<u>\$ 186,829</u>	<u>\$ (225,100)</u>	<u>\$ 4,419,238</u>	<u>\$ (432,834)</u>	<u>\$ 3,986,404</u>
EXPENSES										
Program services	3,647,117	-	3,647,117	164,020	-	164,020	-	3,811,137	-	3,811,137
Management and general	592,186	-	592,186	19,693	-	19,693	(225,100)	386,779	-	386,779
Fundraising services	163,206	-	163,206	12,560	-	12,560	-	175,766	-	175,766
	<u>4,402,509</u>	<u>-</u>	<u>4,402,509</u>	<u>196,273</u>	<u>-</u>	<u>196,273</u>	<u>(225,100)</u>	<u>4,373,682</u>	<u>-</u>	<u>4,373,682</u>
CHANGE IN NET ASSETS	70,000	(447,834)	(377,834)	(24,444)	15,000	(9,444)	-	45,556	(432,834)	(387,278)
NET ASSETS AT BEGINNING OF YEAR	<u>3,130,855</u>	<u>3,190,762</u>	<u>6,321,617</u>	<u>10,350</u>	<u>-</u>	<u>10,350</u>	<u>-</u>	<u>3,141,205</u>	<u>3,190,762</u>	<u>6,331,967</u>
NET ASSETS AT END OF YEAR	<u>\$ 3,200,855</u>	<u>\$ 2,742,928</u>	<u>\$ 5,943,783</u>	<u>\$ (14,094)</u>	<u>\$ 15,000</u>	<u>\$ 906</u>	<u>\$ -</u>	<u>\$ 3,186,761</u>	<u>\$ 2,757,928</u>	<u>\$ 5,944,689</u>

See independent auditor's report on supplementary information

**Illinois Grant Accountability and Transparency
Consolidated Year-End Financial Report**

Grantee Name	Community Organizing and Family Issues
ID Numbers	Audit: 54414 Grantee: 702410 UEI: J8B1C8FHP7J6 FEIN: 364044632
Audit Period	10/1/2023 - 9/30/2024
Last Update	2/4/2025 4:53:05 PM
Program Count	1

EXPENDITURES BY PROGRAM

CSFA #	Program Name	State	Federal	Total	Match
444-22-3265	515-COFI Community Organizing Family Issues	215,842.02	0.00	215,842.02	0.00
	All other federal expenditures		0.00	0.00	
TOTALS		215,842.02	0.00	215,842.02	0.00

EXPENDITURES BY CATEGORY

Amount	Category
67,838.82	Personal Services (Salaries and Wages)
18,545.26	Fringe Benefits
977.12	Travel
15,018.71	Supplies
69,937.91	Consultant (Professional Services)
21,452.21	Occupancy - Rent and Utilities
2,450.00	Miscellaneous Costs
19,621.99	Indirect Costs
215,842.02	TOTAL

**Illinois Grant Accountability and Transparency
Consolidated Year-End Financial Report**

State Agency	Department Of Human Services
CSFA Number	444-22-3265
Program Name	515-COFI Community Organizing Family Issues
Popular Name	515-COFI Community Organizing Family Issues
Program Contact	Name: Holly Robinson Phone: 217-299-2508 Email: DHS.DMHGrantApp@Illinois.gov
State Amount Expended	215842.02
Federal Amount Expended	0.00

Expenditures by Category

67,838.82	Personal Services (Salaries and Wages)
18,545.26	Fringe Benefits
977.12	Travel
15,018.71	Supplies
69,937.91	Consultant (Professional Services)
21,452.21	Occupancy - Rent and Utilities
2,450.00	Miscellaneous Costs
19,621.99	Indirect Costs
215,842.02	TOTAL