

**Annual Report for Illinois Licensed Adoption Agencies**

Date: 9/17/2025

Name of Agency: Brightpoint

Corporate Address\*: 200 W Monroe St Ste 2100

Chicago, IL 60606

Illinois DCFS

License/Provider ID number: 004236 Telephone: (312) 424-0200

License Effective date: 1/16/2023 to 1/16/2027

The reporting period and answers to all questions for this report relate to the agency’s most recent fiscal year. Specify the dates of your agency’s fiscal year and reporting period for this report: 7/1/24-6/30/25

**\*If the agency operates satellite or branch offices, please attach a separate sheet listing complete addresses of all other offices.**

This report is to be completed by agencies providing adoption services and shall be filed with the Department of Children and Family Services and with the Illinois Attorney General’s Office. In addition, each licensed agency that maintains a website shall provide this report on its website. The report shall be filed annually, no later than the 45<sup>th</sup> day following an adoption agency’s license anniversary date. Failure to provide the annual report or disclose certain information required in the report may result in the suspension of an agency’s license for a period of 90 days. Subsequent violations may result in a revocation of the license. [Rule 401.530]

**This report applies only to the provision of adoption services and includes agencies providing foster care conversion services.**

Question number 1 (A – M) pertains only to domestic and international agency-assisted adoption services, and home study services-only programs. Question number 1 (A-M) does not pertain to foster care conversion adoptions. Agencies that provide adoption services only through foster care conversions must answer questions 2 – 12, but need not answer question number 1.

Please respond to the following questions with a yes or no answer on the left and provide additional detail as requested:

N/A 1. **Non-identifying** information for the past year concerning adoption is attached:

**Domestic Agency-Assisted Adoptions**

- A. The number of adoptive families who have submitted an agency application but who are not yet licensed: \_\_\_\_\_
- B. The number of adoptive families who are licensed and awaiting domestic placement as of the agency’s fiscal year end: \_\_\_\_\_
- C. The number of biological parents who the agency provided services to during the reporting period for domestic adoption: \_\_\_\_\_
- D. The number of children placed in adoptive homes during the year:  
Adoptive parents/families who are Illinois Residents: \_\_\_\_\_  
Adoptive parents/families who are non-Illinois Residents: \_\_\_\_\_

- E. The number of adoptions initiated during the year:  
 Adoptive parents/families who are Illinois Residents: \_\_\_\_\_  
 Adoptive parents/families who are non-Illinois Residents: \_\_\_\_\_
- F. The number of adoptions finalized during the year:  
 Adoptive parents/families who are Illinois Residents: \_\_\_\_\_  
 Adoptive parents/families who are non-Illinois Residents: \_\_\_\_\_
- G. The number of adoptive placement disruptions: \_\_\_\_\_
- H. The number of domestic adoption dissolutions this year: \_\_\_\_\_

**International Adoptions (either by direct placements/referrals, or through home-study-services-only)**

Check the boxes that apply to the intercountry adoption services the agency provides:

- Child referral/matching placement services;
- Adoption home study/post placement services (utilized by families who are working with another agency for their referral/match);
- None.

The number of adoptive families who have submitted an agency application but who are not yet approved or licensed: \_\_\_\_\_

The number of adoptive families who are licensed or approved and awaiting international placement: \_\_\_\_\_

The number of international adoptive placements made during the year: \_\_\_\_\_

List the countries with which you have accredited international adoption programs:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

The number of international adoptions finalized this year in the U.S., specifying the countries of origin: \_\_\_\_\_

\_\_\_\_\_

The number of finalizations in other countries, specifying the countries of origin:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

The number of international adoptive placement disruptions: \_\_\_\_\_

No 2. Has the agency:

- lost the right to provide adoption services in any state or country,
- had its license suspended for cause, or
- was the agency the subject of other sanctions by any court, governmental agency, or governmental regulatory body relating to the provision of adoption services?

*If the answer to any portion of this question is yes, attach a full and complete statement of explanation.*

- No 3. During the past year, were any actions related to licensure initiated against the agency by a licensing or accrediting body?  
*If the answer is yes, attach a complete statement of explanation.*
- No 4. During the past year, has the agency been a named party in any civil court actions in relation to the provision of foster care or adoption services?  
*If the answer is yes, attach a complete statement of explanation.*
- No 5. Is the agency currently the subject of a pending investigation by federal or state authorities?  
*If the answer is yes, attach a complete statement of explanation.*
- No 6. Were there any criminal charges, child abuse charges, malpractice complaints, or lawsuits related to the provision of adoption services against the agency or any of its employees, officers, or directors during the past year?  
*If the answer is yes, attach a complete statement of explanation and the basis or disposition of the actions.*
- No 7. Was the agency found liable for any civil or administrative violation or found guilty of or pled guilty to any criminal or administrative violation that relates to the provision of adoption services under federal, state or foreign law?  
*If the answer is yes, attach a complete statement of explanation.*
- No 8. Was any employee, officer or director of the agency found guilty of any crime or determined to have violated a civil law or administrative rule relating to the provision of adoption services under federal, state or foreign law?  
*If the answer is yes, attach a complete statement of explanation.*
- No 9. Was any civil or administrative proceeding relating to adoption services instituted by the agency during the year (excluding uncontested adoption proceedings and proceedings filed pursuant to Section 12a of the Adoption Act)?  
*If the answer is yes, attach a complete statement of explanation.*
- Yes 10. The agency's website address is: www.brightpoint.org
- Yes 11. An audited financial statement for the prior fiscal year, including a general description of fees, wages, salaries and other compensation described in Rule 401.565(a), certified by an independent public accountant, is attached.
- Yes 12. This Annual Report with attachments and audited financial statement, certified by an independent public accountant, has been posted on the website listed in item 9.
- Yes 13. Effective August 15, 2005, Annual Reports are available upon request.

Information contained in this report is subject to the applicable confidentiality requirements of the Child Care Act and the Adoption Act.

I certify that the above statements are true and accurate, based on information available to me at this time.

**Mike Shaver**

Printed or typed name of Executive Director

Signature of Executive Director

Date

Mailing Instructions on the back

This report is to be mailed to the child welfare agency's A&I licensing Unit and the Illinois Attorney General's Office:

Illinois Attorney General  
Charitable Trust Bureau  
100 W. Randolph Street, 11<sup>th</sup> Floor  
Chicago, IL 60601  
312-814-2595 or 312-814-3000

DCFS Agency and Intuitional Licensing Units:

Cook County

A&I Licensing Unit  
A&I Licensing Supervisor  
1911 S. Indiana Ave. – 9<sup>th</sup> Fl.  
Chicago, IL 60616

Northern Region

A&I Licensing Unit  
A&I Licensing Supervisor  
1619 W. Jefferson Street  
Joliet, IL 60435

Central / Southern Region

A&I Licensing Unit  
A&I Licensing Supervisor  
1124 N. Walnut  
Springfield, IL 62702

**CHILDREN'S HOME AND AID SOCIETY OF ILLINOIS  
AND AFFILIATES  
DBA: BRIGHTPOINT AND AFFILIATES  
CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2024 AND 2023**



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**CHILDREN'S HOME AND AID SOCIETY OF ILLINOIS AND AFFILIATES  
DBA: BRIGHTPOINT AND AFFILIATES  
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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Children's Home and Aid Society of Illinois and Affiliates  
dba: Brightpoint and Affiliates  
Chicago, Illinois

### Report on the Audit of the Consolidated Financial Statements

#### ***Opinion***

We have audited the accompanying consolidated financial statements of Children's Home and Aid Society of Illinois and Affiliates dba: Brightpoint and Affiliates (the Agency), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 Children's Home and Aid Society of Illinois and Affiliates dba: Brightpoint and Affiliates as of June 30, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the 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 the Agency's ability to continue as a going concern for one year after the date 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 GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS 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 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 the Agency'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Board of Trustees  
Children's Home and Aid Society of Illinois and Affiliates  
dba: Brightpoint and Affiliates

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2025, on our consideration of the Agency'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 the Agency'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 the Agency's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Oak Brook, Illinois  
February 14, 2025

**CHILDREN'S HOME AND AID SOCIETY OF ILLINOIS AND AFFILIATES**  
**DBA: BRIGHTPOINT AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2024 AND 2023**

	2024	2023
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 8,358,058	\$ 3,497,711
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$953,757 and \$183,536 in 2024 and 2023, Respectively	17,426,936	15,907,016
Pledges Receivable	845,083	694,243
Prepaid Expenses and Other Assets	533,654	648,638
Short-Term Reserve Investments	5,067,011	-
Endowment Investments	34,919,961	32,078,552
Beneficial Interest in Trusts	5,574,808	5,254,794
Land, Buildings, Equipment, and Leasehold Improvements, Net of Accumulated Depreciation and Amortization	20,215,412	20,248,168
Operating Lease Right-of-Use Assets	12,651,882	10,626,473
Total Assets	\$ 105,592,805	\$ 88,955,595
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 3,101,052	\$ 3,011,454
Accrued Salaries and Benefits	6,562,321	5,776,930
Deferred Revenue	4,183,714	4,988,919
Long-Term Debt	-	625,000
Operating Lease Liability	14,024,496	11,734,044
Total Liabilities	27,871,583	26,136,347
<b>NET ASSETS</b>		
Without Donor Restrictions	61,971,757	48,375,206
With Donor Restrictions	15,749,465	14,444,042
Total Net Assets	77,721,222	62,819,248
Total Liabilities and Net Assets	\$ 105,592,805	\$ 88,955,595

See accompanying Notes to Consolidated Financial Statements.

**CHILDREN'S HOME AND AID SOCIETY OF ILLINOIS AND AFFILIATES**  
**DBA: BRIGHTPOINT AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Contributions	\$ 2,489,811	\$ 2,510,340	\$ 5,000,151
Foundations and Trusts	1,479,010	-	1,479,010
Contributions from Associated Fundraising Organizations	450,651	-	450,651
Fees and Grants from Governmental Agencies for Services Rendered to Clients	78,699,697	-	78,699,697
Program Service Fees	4,872,138	-	4,872,138
Contributed Goods and Services	149,804	-	149,804
Net Assets Released from Restrictions	2,300,931	(2,300,931)	-
Miscellaneous	270,461	-	270,461
Total Revenues and Other Support	90,712,503	209,409	90,921,912
<b>EXPENSES</b>			
Program Services	76,705,808	-	76,705,808
Supporting Services:			
Management and General	12,939,070	-	12,939,070
Fundraising	2,094,684	-	2,094,684
Total Expenses	91,739,562	-	91,739,562
<b>INCOME (LOSS) FROM OPERATIONS</b>	(1,027,059)	209,409	(817,650)
<b>OTHER CHANGES</b>			
Investment Income, Net	675,317	130,474	805,791
Net Realized and Unrealized Gains on Investments	2,890,322	965,540	3,855,862
Gain on Sale of Building	3,113,020	-	3,113,020
Contribution of Net Assets Received from Acquisition	7,944,951	-	7,944,951
Total Other Changes	14,623,610	1,096,014	15,719,624
<b>CHANGE IN NET ASSETS</b>	13,596,551	1,305,423	14,901,974
Net Assets - Beginning of Year	48,375,206	14,444,042	62,819,248
<b>NET ASSETS - END OF YEAR</b>	\$ 61,971,757	\$ 15,749,465	\$ 77,721,222

See accompanying Notes to Consolidated Financial Statements.

**CHILDREN'S HOME AND AID SOCIETY OF ILLINOIS AND AFFILIATES**  
**DBA: BRIGHTPOINT AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Contributions	\$ 2,121,346	\$ 1,399,500	\$ 3,520,846
Foundations and Trusts	1,328,229	-	1,328,229
Contributions from Associated Fundraising Organizations	457,482	-	457,482
Fees and Grants from Governmental Agencies for Services Rendered to Clients	68,560,619	-	68,560,619
Program Service Fees	3,944,851	-	3,944,851
Contributed Goods and Services	334,195	-	334,195
Net Assets Released from Restrictions	1,532,151	(1,532,151)	-
Miscellaneous	1,873,116	-	1,873,116
Total Revenues and Other Support	80,151,989	(132,651)	80,019,338
<b>EXPENSES</b>			
Program Services	66,632,677	-	66,632,677
Supporting Services:			
Management and General	11,099,263	-	11,099,263
Fundraising	2,056,113	-	2,056,113
Total Expenses	79,788,053	-	79,788,053
<b>INCOME (LOSS) FROM OPERATIONS</b>	363,936	(132,651)	231,285
<b>OTHER CHANGES</b>			
Investment Income, Net	443,027	158,739	601,766
Net Realized and Unrealized Gains on Investments	1,708,558	713,083	2,421,641
Total Other Changes	2,151,585	871,822	3,023,407
<b>CHANGE IN NET ASSETS</b>	2,515,521	739,171	3,254,692
Net Assets - Beginning of Year	45,859,685	13,704,871	59,564,556
<b>NET ASSETS - END OF YEAR</b>	\$ 48,375,206	\$ 14,444,042	\$ 62,819,248

See accompanying Notes to Consolidated Financial Statements.

**CHILDREN'S HOME AND AID SOCIETY OF ILLINOIS AND AFFILIATES**  
**DBA: BRIGHTPOINT AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2024**

	Program Services				
	Child Care	Child Welfare	Intact Family Services	Mental Health & Wellness	Parent Support
Salaries	\$ 15,203,389	\$ 9,150,541	\$ 4,166,974	\$ 7,403,780	\$ 4,960,857
Employee Health and Retirement Benefits	2,911,360	1,820,078	827,549	1,490,970	988,648
Payroll Taxes	<u>882,855</u>	<u>675,331</u>	<u>300,988</u>	<u>528,845</u>	<u>360,414</u>
Total Salaries and Related Expenses	18,997,604	11,645,950	5,295,511	9,423,595	6,309,919
Professional Fees	2,108,389	480,862	306,320	95,455	135,276
Supplies	2,155,751	126,175	84,114	171,291	441,635
Telephone	208,213	206,376	86,151	116,714	88,505
Postage and Shipping	28,067	7,232	2,000	1,640	2,311
Occupancy	1,532,641	780,233	274,604	420,744	241,367
Outside Printing	36,092	25	664	1,844	8,550
Local Transportation	206,275	635,229	378,111	257,292	178,147
Conferences and Meetings	69,951	31,761	28,553	176,311	61,818
Subscriptions and Reference	42,713	74	-	624	9,906
Specific Assistance	53,566	6,315,328	110,245	167,640	168,159
Membership Dues	11,251	1,012	391	1,439	15,474
Repairs, Maintenance, and Rental	84,486	40,972	14,890	22,051	23,302
In-Kind Donated Services and Goods	60,000	-	-	-	-
Miscellaneous	<u>168,751</u>	<u>133,294</u>	<u>53,515</u>	<u>79,255</u>	<u>89,516</u>
Total Expenses Before Depreciation and Amortization	25,763,750	20,404,523	6,635,069	10,935,895	7,773,885
Depreciation and Amortization	<u>737,467</u>	<u>202,838</u>	<u>29,441</u>	<u>87,161</u>	<u>74,625</u>
Total Expenses by Function	<u>\$ 26,501,217</u>	<u>\$ 20,607,361</u>	<u>\$ 6,664,510</u>	<u>\$ 11,023,056</u>	<u>\$ 7,848,510</u>

See accompanying Notes to Consolidated Financial Statements.

**CHILDREN'S HOME AND AID SOCIETY OF ILLINOIS AND AFFILIATES  
DBA: BRIGHTPOINT AND AFFILIATES  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

	Program Services (Continued)			Supporting Services			Totals
	Youth Services	Program Services Management	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 2,514,294	\$ 145,083	\$ 43,544,918	\$ 6,589,414	\$ 1,160,903	\$ 7,750,317	\$ 51,295,235
Employee Health and Retirement Benefits	445,513	28,283	8,512,401	1,281,179	227,286	1,508,465	10,020,866
Payroll Taxes	173,176	10,609	2,932,218	364,951	76,540	441,491	3,373,709
Total Salaries and Related Expenses	3,132,983	183,975	54,989,537	8,235,544	1,464,729	9,700,273	64,689,810
Professional Fees	65,890	187	3,192,379	2,499,267	149,032	2,648,299	5,840,678
Supplies	49,958	2,725	3,031,649	425,923	39,538	465,461	3,497,110
Telephone	43,782	1,397	751,138	96,557	2,842	99,399	850,537
Postage and Shipping	2,054	135	43,439	9,781	7,079	16,860	60,299
Occupancy	125,447	5,716	3,380,752	248,016	25,025	273,041	3,653,793
Outside Printing	-	-	47,175	3,200	43,692	46,892	94,067
Local Transportation	97,644	67	1,752,765	72,053	8,465	80,518	1,833,283
Conferences and Meetings	19,665	97	388,156	75,204	16,463	91,667	479,823
Subscriptions and Reference	-	-	53,317	22,951	32,180	55,131	108,448
Specific Assistance	160,924	-	6,975,862	430	43,572	44,002	7,019,864
Membership Dues	146	-	29,713	84,291	6,419	90,710	120,423
Repairs, Maintenance, and Rental	9,769	688	196,158	32,537	1,933	34,470	230,628
In-Kind Donated Services and Goods	-	89,804	149,804	-	-	-	149,804
Miscellaneous	47,888	2,581	574,800	1,034,588	250,976	1,285,564	1,860,364
Total Expenses Before Depreciation and Amortization	3,756,150	287,372	75,556,644	12,840,342	2,091,945	14,932,287	90,488,931
Depreciation and Amortization	14,154	3,478	1,149,164	98,728	2,739	101,467	1,250,631
Total Expenses by Function	\$ 3,770,304	\$ 290,850	\$ 76,705,808	\$ 12,939,070	\$ 2,094,684	\$ 15,033,754	\$ 91,739,562

See accompanying Notes to Consolidated Financial Statements.

**CHILDREN'S HOME AND AID SOCIETY OF ILLINOIS AND AFFILIATES**  
**DBA: BRIGHTPOINT AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2023**

	Program Services				
	Child Care	Child Welfare	Intact Family Services	Mental Health & Wellness	Parent Support
Salaries	\$ 10,373,089	\$ 9,088,588	\$ 4,699,258	\$ 6,442,912	\$ 4,676,463
Employee Health and Retirement Benefits	1,822,381	1,629,045	829,399	1,137,866	840,848
Payroll Taxes	749,279	658,359	338,582	464,534	340,743
Total Salaries and Related Expenses	12,944,749	11,375,992	5,867,239	8,045,312	5,858,054
Professional Fees	1,266,918	500,906	325,380	104,444	269,267
Supplies	935,785	200,359	66,270	117,478	278,021
Telephone	183,960	212,854	89,541	110,242	90,310
Postage and Shipping	27,313	9,294	2,200	3,164	1,844
Occupancy	975,422	809,906	273,784	332,987	246,201
Outside Printing	53,544	2,110	554	255	98
Local Transportation	140,087	625,797	416,792	207,018	141,490
Conferences and Meetings	46,262	36,013	34,452	115,652	55,943
Subscriptions and Reference	17,768	192	-	14	9,367
Specific Assistance Including COVID-19 Assistance Expenditures	51,038	6,593,608	95,643	141,359	160,880
Membership Dues	11,967	572	294	1,096	22,775
Repairs, Maintenance, and Rental	66,497	30,125	9,945	11,449	14,811
In-Kind Donated Services and Goods	60,000	-	-	-	-
Miscellaneous	301,944	121,296	80,307	89,324	149,505
Total Expenses Before Depreciation and Amortization	17,083,254	20,519,024	7,262,401	9,279,794	7,298,566
Depreciation and Amortization	640,298	245,200	30,179	55,263	78,624
Total Expenses by Function	\$ 17,723,552	\$ 20,764,224	\$ 7,292,580	\$ 9,335,057	\$ 7,377,190

See accompanying Notes to Consolidated Financial Statements.

**CHILDREN'S HOME AND AID SOCIETY OF ILLINOIS AND AFFILIATES  
DBA: BRIGHTPOINT AND AFFILIATES  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

	Program Services (Continued)			Supporting Services			Totals
	Youth Services	Program Services Management	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 2,432,244	\$ 207,303	\$ 37,919,857	\$ 5,487,006	\$ 1,084,333	\$ 6,571,339	\$ 44,491,196
Employee Health and Retirement Benefits	415,279	40,127	6,714,945	1,027,778	200,643	1,228,421	7,943,366
Payroll Taxes	169,828	14,829	2,736,154	375,777	79,606	455,383	3,191,537
Total Salaries and Related Expenses	3,017,351	262,259	47,370,956	6,890,561	1,364,582	8,255,143	55,626,099
Professional Fees	55,136	90	2,522,141	2,492,904	221,996	2,714,900	5,237,041
Supplies	53,308	957	1,652,178	279,656	11,848	291,504	1,943,682
Telephone	48,907	1,193	737,007	86,746	537	87,283	824,290
Postage and Shipping	2,478	139	46,432	9,564	10,934	20,498	66,930
Occupancy	142,049	7,712	2,788,061	415,036	4,942	419,978	3,208,039
Outside Printing	1,606	-	58,167	2,955	48,598	51,553	109,720
Local Transportation	109,401	256	1,640,841	62,137	5,850	67,987	1,708,828
Conferences and Meetings	21,652	550	310,524	41,001	9,543	50,544	361,068
Subscriptions and Reference	29	-	27,370	30,432	17,310	47,742	75,112
Specific Assistance Including							
COVID-19 Assistance Expenditures	197,875	-	7,240,403	4,909	49,762	54,671	7,295,074
Membership Dues	-	55	36,759	87,173	738	87,911	124,670
Repairs, Maintenance, and Rental	7,176	361	140,364	22,202	1,869	24,071	164,435
In-Kind Donated Services and Goods	60,005	80,800	200,805	67,150	66,240	133,390	334,195
Miscellaneous	37,549	2,745	782,670	438,373	240,345	678,718	1,461,388
Total Expenses Before Depreciation and Amortization	3,754,522	357,117	65,554,678	10,930,799	2,055,094	12,985,893	78,540,571
Depreciation and Amortization	24,899	3,536	1,077,999	168,464	1,019	169,483	1,247,482
Total Expenses by Function	\$ 3,779,421	\$ 360,653	\$ 66,632,677	\$ 11,099,263	\$ 2,056,113	\$ 13,155,376	\$ 79,788,053

See accompanying Notes to Consolidated Financial Statements.

**CHILDREN'S HOME AND AID SOCIETY OF ILLINOIS AND AFFILIATES**  
**DBA: BRIGHTPOINT AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 14,901,974	\$ 3,254,692
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation and Amortization	1,250,631	1,247,482
Provision for Bad Debts	808,333	200,000
Forgiveness of Paycheck Protection Program Loan	-	(925,000)
Noncash Lease Activity	(125,307)	3,812
Net Realized and Unrealized Gains on Net Assets		
With Donor Restrictions	(965,540)	(713,083)
Net Realized and Unrealized Gains on Assets Whose		
Use is Limited or Restricted, Excluding Investments of		
Net Assets with Donor Restrictions	(2,890,322)	(1,708,558)
Gain on Sale of Land, Buildings, Equipment, and Leasehold		
Improvements	(3,113,020)	-
Contribution of Net Assets Received from Acquisition	(7,944,951)	-
Effects of Changes in Operating Assets and Liabilities:		
Accounts Receivable	(731,845)	(4,820,784)
Pledges Receivable	(150,840)	314,425
Prepaid Expenses and Other Assets	150,060	(32,941)
Accounts Payable and Accrued Expenses	(179,445)	149,856
Accrued Salaries and Benefits	704,339	562,193
Other Liabilities	(1,248,011)	1,189,068
Net Cash Provided (Used) by Operating Activities	466,056	(1,278,838)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of Land, Buildings, Equipment, and Leasehold		
Improvements	(691,726)	(428,229)
Purchase of Short-Term Reserve Investments	(5,067,011)	-
Purchases of Trustee-Held, Board-Designated, and		
Donor-Restricted Cash and Investments	(5,793,777)	(870,856)
Proceeds from Sale of Land, Buildings, Equipment, and Leasehold		
Improvements	4,801,700	-
Cash Assumed in Acquisition	5,830,889	-
Sales and Maturities of Trustee-Held, Board-Designated,		
and Donor-Restricted Cash and Investments	6,488,216	1,599,158
Net Cash Provided by Investing Activities	5,568,291	300,073
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of Long-Term Debt	(1,174,000)	(334,769)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	4,860,347	(1,313,534)
Cash and Cash Equivalents - Beginning of Year	3,497,711	4,811,245
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 8,358,058	\$ 3,497,711
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Paid for Interest	\$ 18,921	\$ 40,507

See accompanying Notes to Consolidated Financial Statements.

**CHILDREN'S HOME AND AID SOCIETY OF ILLINOIS AND AFFILIATES**  
**DBA: BRIGHTPOINT AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Children's Home and Aid Society of Illinois dba: Brightpoint (the Society), an Illinois nonprofit corporation, is a social service organization serving families throughout the state of Illinois. The Society provides adoption, foster care, childcare, and child and family counseling and related services. Children's Home and Aid Society Foundation (the Foundation), an Illinois nonprofit corporation of which the Society is the sole corporate member, oversees investments of the Society. El Hogar del Niño (EHDN), an Illinois nonprofit corporation of which the Society is the sole corporate member, provides comprehensive bilingual/bicultural early childhood development programs.

**Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of the Society and its wholly owned and controlled affiliates (the Agency). All significant transactions among these corporations have been eliminated in consolidation.

**Use of Estimates in Preparing Consolidated Financial Statements**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The liability for excess revenues is based on management's assessment of the estimated amounts due to funding sources for program revenues in excess of program expenses. If actual excess revenues are higher than the historical experience, management's estimates of the amounts due from the Agency could be adversely affected. A liability of \$2,334,593 and \$2,793,776 as of June 30, 2024 and 2023, respectively, has been included with deferred revenue on the consolidated statements of financial position. The funding source has indicated its intent to mitigate the excess revenue by allowing certain unallowed expenses and program deficits in other programs funded by this source. The Agency will reduce the liability recorded once resolution with the funding source is known.

**Consolidated Financial Statement Presentation**

The Agency prepares its consolidated financial statements in accordance with U.S. GAAP. Under U.S. GAAP, the Agency is required to report 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. In addition, the Agency is required to present a consolidated statement of cash flows.

Net asset classes are defined as follows:

*Net Assets Without Donor Restrictions* – Those resources over which the board of trustees (the board) has discretionary control.

**CHILDREN'S HOME AND AID SOCIETY OF ILLINOIS AND AFFILIATES**  
**DBA: BRIGHTPOINT AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Consolidated Financial Statement Presentation (Continued)**

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Basis of Accounting**

The consolidated financial statements have been prepared using the accrual basis of accounting.

**Revenues and Other Support**

Revenue transactions deemed by management to be ongoing, major, or central to the provision of social services are included in revenues and other support on the consolidated statements of activities and changes in net assets. Transactions incidental to the provision of social services are reported as nonoperating gains and losses.

**Contributions**

The Agency receives contributions through pledges, bequests, beneficial interests in trusts, outright gifts of cash and property, and certain fees and grants from governmental agencies. Contributions are classified as with or without donor restrictions based on donor direction.

Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires, the related net assets are reclassified to net assets without donor restrictions.

**Fees and Grants from Governmental Agencies for Services Rendered to Clients and Program Service Fees**

The Agency receives a significant portion of its operating funds from grants and awards that are exchange transactions. These funds are reported as without donor restrictions as the grants reimburse the Agency for services provided. Government grants received in advance are recorded initially as deferred revenue and are then recognized as revenue as earned, which generally occurs when services are provided and expenses are incurred. Program service fees consist primarily of revenue received from the state of Illinois which is paid based on a contracted rate per day. Government and program service fees are recognized as earned over time once performance obligations are met for the social services provided.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenues and Other Support (Continued)**

**Fees and Grants from Governmental Agencies for Services Rendered to Clients and Program Service Fees (Continued)**

Government grants received with donor conditions are deferred until such conditions are met. Included in deferred revenue on the consolidated statements of financial position at June 30, 2024 and 2023, conditional government grants received in advance total \$1,849,121 and \$2,195,143, respectively.

**Investment Income**

Investment income and realized and unrealized gains and losses resulting from contributions are reported as changes in net assets with or without donor restrictions, as directed by the donor.

**Functional Allocation of Expenses**

The costs of providing various program and supporting services have been summarized on a functional basis in the consolidated statements of activities and changes in net assets and the consolidated statements of functional expenses. The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function (common expenses). These common expenses require allocation to program and support units on a reasonable basis that is consistently applied. They include occupancy costs and some maintenance, supplies, and telephone costs which are allocated based on either square footage of area occupied or on personnel at the location assigned to work in specific programs.

**Cash Equivalents**

The Agency considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents. However, all cash and investments whose use is limited by the board or restricted by donors are considered long-term investments.

At times, the amounts in these accounts may exceed federally insured limits. However, the Agency has not experienced any losses on these accounts and does not believe it is exposed to significant risk.

**Short-Term Reserve Investments**

The Agency purchased approximately \$5,070,000 of short-term reserve investments in 2024 to segregate reserve funds. The balance consists of approximately \$575,000 of funds in a money market mutual fund, approximately \$1,260,000 of funds in a fixed income mutual fund, and approximately \$3,235,000 of funds in US Treasury bonds. The fixed income mutual fund and US Treasury bonds are reported at fair value as Level 1 and Level 2, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments**

The Agency accounts for investments in accordance with U.S. GAAP, which requires investments in equity securities with readily determinable fair values and all investments in debt securities be reported at fair value. Investment income (comprised of interest and dividends) is included in revenues and other support. Realized and unrealized gains and losses on investments are reported in the consolidated statements of activities and changes in net assets as nonoperating gains and losses and as an increase or decrease in net assets with or without donor restriction based upon donor-imposed restrictions.

**Accounts Receivable**

Accounts receivable are primarily uncollateralized governmental obligations stated at the invoice amounts that generally are payable within 30 days from the billing date.

Payments of accounts receivable are applied to the specific invoices identified on the funding source's remittance advice or, if unspecified, to the earliest unpaid invoices.

Accounts receivable is reduced by a valuation allowance that reflects management's best assessment of the collectability of specific funding source accounts based on specific information, the aging of specific accounts, and historical experience. If actual amounts collected are lower than management's estimates thereof, the Agency's financial results could be adversely affected. All accounts or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for doubtful accounts. The balance in accounts receivable at the beginning of 2023 was \$11,286,232.

**Pledges Receivable**

Unconditional pledges to give cash and property are reported at fair value at the date the pledge is received.

Any amounts that are known to be uncollectible are written off and thus, a provision has not been made for potentially uncollectible amounts as of June 30, 2024 and 2023, based on management's assessment of the specific promises to give and the aging thereof.

**Land, Buildings, Equipment, and Leasehold Improvements**

Land, buildings, equipment, and leasehold improvements are stated at cost, less accumulated depreciation and amortization. The Agency's capitalization threshold is \$5,000. Depreciation and amortization is provided on the straight-line method over the estimated useful lives of the assets as follows:

Buildings and Improvements	5 to 39 Years
Office Furniture and Equipment	5 to 15 Years
Automobiles	5 Years
Leasehold Improvements	2 to 10 Years

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Long-Lived Assets**

The Agency evaluates its long-lived assets for any events or changes in circumstances which indicate that the carrying amount of such assets may not be fully recoverable. The Agency evaluates the recoverability of long-lived assets by measuring the carrying amount of such assets against the estimated undiscounted future cash flows associated with them. At the time such evaluation indicates that the future undiscounted cash flows of certain long-lived assets are not sufficient to recover the carrying value of such assets, the assets are adjusted to their fair values.

**Beneficial Interest in Trusts**

Beneficial interest in trusts represents the fair value of the portion of trusts for which the Agency is beneficiary in perpetuity and represents a perpetual donor restriction. The trusts, which are all administered by bank trustees, are comprised primarily of farmland and equity or fixed-income securities. Fair value of equity and fixed-income securities is based primarily on quoted market prices. Fair value for farmland is based on periodic independent appraisals. Realized and unrealized gains and losses on the beneficial interest in trusts are recorded to net assets with donor restrictions in the consolidated statements of activities and changes in net assets.

**Leases**

The Agency leases office and program service space. The Agency determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the consolidated statements of financial position. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities on the consolidated statements of financial position.

ROU assets represent the Agency's right to use an underlying asset for the lease term and lease liabilities represent the Agency's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Agency uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Agency will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Agency has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the balance sheet.

The Agency has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases (Continued)**

The Agency's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, the Agency considers factors such as if the Agency has obtained substantially all of the rights to the underlying asset through exclusivity, if the Agency can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

In allocating consideration in the contract to the separate lease components and the nonlease components, the Agency uses the standalone prices of the lease and nonlease components. Observable standalone prices are used, if available. If the standalone price for a component has a high level of variability or uncertainty, this allocation may require significant judgment.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Agency has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

**Income Taxes**

All entities included in the Agency are nonprofit corporations as described in Section 501(c)(3) of the Internal Revenue Code. The entities qualify for the charitable contribution deduction under Section 170(b)(1)(A) and have been classified as organizations that are not private foundations under Section 509(a)(1).

The Agency evaluates its exposure for uncertain tax positions on an annual basis. As of June 30, 2024 and 2023, there were no liabilities for uncertain tax positions.

**Liquidity**

The Agency's financial assets available for general expenditures within one year of the statement of financial position date are as follows:

	2024	2023
Cash and Cash Equivalents	\$ 8,358,058	\$ 3,497,711
Accounts Receivable and Pledges Receivable, Net	18,272,019	16,601,259
Short-Term Reserve Investments	5,067,011	-
Total Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 31,697,088	\$ 20,098,970

To help manage seasonal liquidity needs, the Agency maintains a credit facility in the amount of \$5 million.

**CHILDREN'S HOME AND AID SOCIETY OF ILLINOIS AND AFFILIATES  
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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Liquidity (Continued)**

Additionally, the Foundation maintains a board-designated endowment fund of approximately \$28 million and \$26 million at June 30, 2024 and 2023, respectively. Although the Foundation does not intend to spend from its endowment fund other than amounts appropriated to support programs and general operations of the Society, amounts from the board-designated endowment fund could be made available if necessary.

**Acquisition of El Hogar Del Niño**

Effective July 1, 2023, the Agency acquired El Hogar del Nino (EHDN) through an affiliation agreement whereby the Agency became the sole controlling member of EHDN. The purpose of the transaction was to improve the long-term sustainability of the programs and mission of EHDN. For the short-term, and possibly longer term, EHDN will continue to operate as a separate social service nonprofit, retaining its name, mission, values, and services, in conjunction with the Agency, and with the Agency providing administrative support. The Agency recorded the acquisition in accordance with the Business Combinations Topic of the ASC, which requires the acquisition method to be used for business combinations. There was no consideration transferred for the acquisition therefore, the Agency recognized a contribution of net assets of \$7,944,951 on its consolidated statement of activities and changes in net assets. As a result of the transaction, no identifiable intangible assets were acquired.

The following summarizes the acquisition date fair values of the assets acquired and liabilities assumed:

Cash and Cash Equivalents	\$ 5,830,889
Accounts Receivable, Net	1,596,408
Prepaid Expenses and Other Assets	35,076
Land, Buildings, Equipment, and Leasehold Improvements	1,824,479
Operating Lease Right-of-Use Assets	107,384
Total Assets Acquired	<u>9,394,236</u>
Accounts Payable and Accrued Expenses	269,043
Accrued Salaries and Benefits	81,052
Deferred Revenue	442,806
Long-Term Debt	549,000
Operating Lease Liability	107,384
Total Liabilities Assumed	<u>1,449,285</u>
Contribution of Net Assets Received from Acquisition	<u><u>\$ 7,944,951</u></u>

**CHILDREN'S HOME AND AID SOCIETY OF ILLINOIS AND AFFILIATES  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Change in Accounting Principle**

At the beginning of 2023, the Agency adopted FASB ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Agency adopted this new guidance utilizing the modified retrospective transition method. The Agency adopted the requirements of the guidance effective July 1, 2023. Adoption of this standard had no impact on the Agency's consolidated financial statements

**Reclassification**

Prior year amounts have been reclassified, where appropriate, to conform to the current year method of presentation. These changes had no impact to the change in net assets.

**Subsequent Events**

We have evaluated subsequent events through February 14, 2025, the date the consolidated financial statements were available to be issued.

**NOTE 2 PLEDGES RECEIVABLE**

Pledges receivable consist of pledges that are expected to be collected during the following fiscal years:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 890,840
Less: Discount to Net Present Value	(45,757)
Total	<u>\$ 845,083</u>

The discount rate used for the years ended June 30, 2024 and 2023 was 3%.

**NOTE 3 INVESTMENTS**

A summary of the composition of the Agency's investments follows:

	<u>2024</u>	<u>2023</u>
Fixed Income Mutual Funds	\$ 6,577,107	\$ 6,009,783
Equity Mutual Funds	22,115,949	20,542,229
Nonpublic Pooled Investments	5,931,107	5,487,446
Cash Equivalents and Money Market Funds	295,798	39,094
Beneficial Interest in Trusts	5,574,808	5,254,794
Total	<u>\$ 40,494,769</u>	<u>\$ 37,333,346</u>

**CHILDREN'S HOME AND AID SOCIETY OF ILLINOIS AND AFFILIATES**  
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**NOTE 3 INVESTMENTS (CONTINUED)**

The nonpublic pooled investments consist of private equity funds that invest primarily in diversified leveraged buyouts, venture capital companies, and other investment funds. Included in nonpublic pooled investments is the Portfolio Advisors Private Equity Fund IV, L.P., the SEG Partners Offshore, Ltd., the MW Eureka Fund, and the Cyrus Opportunities Fund II Ltd. These funds are nonpublic, pooled investments that are not registered as investment companies with the U.S. Securities and Exchange Commission. They are considered speculative with a higher degree of risk and potential volatile performance than the Agency's other investments. The estimated market value of these funds is determined by the funds' custodians based on the net asset value of the Agency's ownership interest, as quoted market prices are not available. The Agency's investment in nonpublic pooled investments and their estimated fair market value at June 30 is as follows:

	<u>Estimated Fair Market Value</u>	
	<u>2024</u>	<u>2023</u>
Portfolio Advisors Private Equity Fund IV, L.P.	\$ 14,605	\$ 79,694
SEG Partners Offshore, Ltd.	2,115,870	1,893,381
MW Eureka Fund	1,905,626	1,694,619
Cyrus Opportunities Fund II Ltd.	1,895,006	1,819,752

On December 1, 2010, the Agency invested \$1,000,000 in Cyrus Opportunities Fund II Ltd. One of the principals of this fund is related to a trustee of the Agency and personally guaranteed recovery of the Agency's initial investment in the fund and all fees to the fund have been waived. The guarantee on the fund is in effect through December 2025.

Currently, the Agency is not eligible to redeem the investment in the Portfolio Advisors Private Equity Fund IV, L.P. until the later of the termination of the partnership or one year after all the assets of the partnership have been liquidated and the Agency has invested \$1,142,259 of a total commitment of \$1,400,000. As of June 30, 2024, the partnership has not liquidated all assets. The Agency has no other unfunded commitments for further investment in the SEG Partners Offshore, Ltd., the MW Eureka Fund, and the Cyrus Opportunities Fund II Ltd. as of June 30, 2024. There are no additional redemption restrictions on these investments as well. These investments can be liquidated with no notice period and on a daily basis.

Investment fees incurred were \$75,811 and \$88,159 for the years ended June 30, 2024 and 2023, respectively.

**CHILDREN'S HOME AND AID SOCIETY OF ILLINOIS AND AFFILIATES**  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 4 FAIR VALUE MEASUREMENTS**

In determining fair value, the Agency uses various valuation approaches within the fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability. The fair value measurement framework establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The framework defines levels within the hierarchy based on the reliability of inputs as follows:

*Level 1* – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;

*Level 2* – Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and

*Level 3* – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models, and similar techniques not based on market, exchange, dealer, or broker-traded transactions.

The fair values of assets and liabilities measured on a recurring basis at June 30 are as follows:

	2024			
	Total	Level 1	Level 2	Level 3
Equities:				
U.S. Mutual Funds	\$ 10,911,533	\$ 10,911,533	\$ -	\$ -
International Mutual Funds	11,204,416	11,204,416	-	-
Fixed Income:				
Mutual Funds	6,577,107	6,577,107	-	-
Beneficial Interest in Trusts	5,574,808	-	-	5,574,808
Total Assets at Fair Value	<u>34,267,864</u>	<u>\$ 28,693,056</u>	<u>\$ -</u>	<u>\$ 5,574,808</u>
Cash and Cash Equivalents	295,798			
Nonpublic Pooled Investments	5,931,107			
Total Assets	<u>\$ 40,494,769</u>			
	2023			
	Total	Level 1	Level 2	Level 3
Equities:				
U.S. Mutual Funds	\$ 10,605,623	\$ 10,605,623	\$ -	\$ -
International Mutual Funds	9,936,606	9,936,606	-	-
Fixed Income:				
Mutual Funds	6,009,783	6,009,783	-	-
Beneficial Interest in Trusts	5,254,794	-	-	5,254,794
Total Assets at Fair Value	<u>31,806,806</u>	<u>\$ 26,552,012</u>	<u>\$ -</u>	<u>\$ 5,254,794</u>
Cash and Cash Equivalents	39,094			
Nonpublic Pooled Investments	5,487,446			
Total Assets	<u>\$ 37,333,346</u>			

**CHILDREN'S HOME AND AID SOCIETY OF ILLINOIS AND AFFILIATES**  
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**NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)**

Fair value for Level 1 equities and mutual funds are determined by reference to quoted market transactions. Fair value of Level 3 beneficial interest in trusts is determined by reference to quoted market transactions for assets similar to those held to support the underlying assets.

Gains and losses (realized and unrealized) on the investments valued using significant unobservable inputs are included in net realized and unrealized gains on investments in the accompanying consolidated statements of activities and changes in net assets. There were unrealized gains of \$443,661 and \$162,599 relating to these investments for the years ended June 30, 2024 and 2023, respectively.

The following is a reconciliation of the beginning and ending balances of assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs) during the years ended June 30:

Investments:	
Balance - June 30, 2022	\$ 4,991,872
Change in Beneficial Interest in Trusts	<u>262,922</u>
Balance - June 30, 2023	5,254,794
Change in Beneficial Interest in Trusts	<u>320,014</u>
Balance - June 30, 2024	<u><u>\$ 5,574,808</u></u>

The value of Beneficial Interests in Trusts represents an irrevocable right to receive distributions in perpetuity from a trust that is managed by a third party. The Agency does not have variance power over the trusts' portfolio. The value of Beneficial Interests in Trusts is estimated based on the fair value of the underlying investments held by the trusts and the unobservable input was the time period of the various trusts.

**NOTE 5 LAND, BUILDINGS, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS**

A summary of land, buildings, equipment, and leasehold improvements is as follows as of June 30:

	<u>2024</u>	<u>2023</u>
Land	\$ 1,775,041	\$ 2,126,786
Buildings and Improvements	27,209,901	33,839,621
Office Furniture and Equipment	6,416,014	6,704,351
Automobiles	70,545	107,573
Leasehold Improvements	2,422,313	2,354,902
Construction in Progress	<u>1,028,372</u>	<u>57,248</u>
Total at Cost	38,922,186	45,190,481
Less: Allowance for Depreciation and Amortization	<u>18,706,774</u>	<u>24,942,313</u>
Total Land, Buildings, Equipment, and Leasehold Improvements	<u><u>\$ 20,215,412</u></u>	<u><u>\$ 20,248,168</u></u>

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**NOTE 6 RETIREMENT AND OTHER EMPLOYEE BENEFIT PLANS**

**Employee Retirement Plan**

The Agency sponsors a qualified 401(k) plan (plan). Effective upon hire, employees are automatically enrolled in the plan at a 2% pre-tax deferral rate that increases by 1% each year unless the employee opts out. Upon board approval, the Agency makes a discretionary contribution reflecting 50% of the employees' contribution, up to a maximum of 3% of the employees' earnings. To be eligible for the discretionary contribution, an employee must have contributed to the plan, been employed for at least 12 months, and worked at least 975 hours during the fiscal year. The Agency recognized benefit expense related to the plan of \$689,325 and \$670,695 in 2024 and 2023, respectively.

**Self-Funded Medical Plan**

The Agency self-funds the claims cost of its medical plan covering those employees who elect coverage and their dependents. Under the terms of the coverage, the Agency's estimated annual claim costs are \$7.9 million and \$6.1 million subject to an annually specified maximum amount estimated at \$9.7 million and \$7.6 million, as of June 30, 2024 and 2023, respectively. The Agency has recorded a liability of approximately \$989,000 and \$760,000 as of June 30, 2024 and 2023, respectively, on the consolidated statements of financial position that represents management's estimate of reported and unreported medical claims incurred prior to that date. The Agency also maintains a cash reserve of approximately \$726,000 and \$718,000 as of June 30, 2024 and 2023, respectively, to cover both the liability noted above and potential cash needs of this plan.

**NOTE 7 REVENUE, CONTRACT ASSETS, AND CONTRACT LIABILITIES**

The following table shows the Agency's revenues disaggregated according to the timing of the transfer of goods and services:

	2024	2023
Revenue Recognized Over Time:		
Fees and Grants from Governmental Agencies		
for Services Rendered to Clients	\$ 31,979,322	\$ 32,720,357
Program Service Fees	4,872,138	3,944,851
Miscellaneous	270,461	1,873,116
Total	37,121,921	38,538,324
Revenue Subject to Grants and		
Contributions Guidance:		
Contributions	5,149,955	3,855,041
Foundations and Trusts	1,479,010	1,328,229
Contributions from Associated Fundraising		
Organizations	450,651	457,482
Fees and Grants from Governmental Agencies		
for Services Rendered to Clients	46,720,375	35,840,262
Total	53,799,991	41,481,014
Total Revenues and Other Support	\$ 90,921,912	\$ 80,019,338

**CHILDREN'S HOME AND AID SOCIETY OF ILLINOIS AND AFFILIATES**  
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**NOTE 7 REVENUE, CONTRACT ASSETS, AND CONTRACT LIABILITIES (CONTINUED)**

As of June 30, the Agency had contract liabilities consisting of deferred revenues as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Excess Revenues	\$ 2,334,593	\$ 2,793,776	\$ 2,790,895
Deferred Revenue	1,849,121	2,085,697	253,028
Deferred Conditional Contributions	-	109,446	755,928
Total Deferred Revenue	<u>\$ 4,183,714</u>	<u>\$ 4,988,919</u>	<u>\$ 3,799,851</u>

The Agency recognized \$1,026,524 and \$736,378 as revenue that was previously included in contract liabilities during the years ended June 30, 2024 and 2023, respectively. The Agency had no contract assets as of June 30, 2024 and 2023.

**NOTE 8 FEES AND GRANTS FROM GOVERNMENTAL AGENCIES**

Included in fees and grants from governmental agencies is \$36,605,887 in 2024 and \$36,969,892 in 2023 of revenue received from the Illinois Department of Children and Family Services (DCFS). In addition, the Society received revenue of \$13,146,197 in 2024 and \$9,487,861 in 2023 from the Illinois Department of Human Services (DHS). The amount of revenue from these funding sources represents approximately 55% and 58% of the Agency's total operating revenue and support for the years ended June 30, 2024 and 2023, respectively.

As of June 30, 2024 and 2023, the Agency's gross accounts receivable includes amounts due from the DCFS and the DHS of \$9,712,254 and \$9,500,226, respectively. A summary of unrestricted governmental agency revenue received, by core service, is presented below:

	<u>2024</u>	<u>2023</u>
Child Care	\$ 27,508,940	\$ 19,579,941
Child Welfare	23,853,064	24,034,465
Intact Family Services	8,150,578	8,713,947
Mental Health & Wellness	7,212,681	6,109,013
Parent Support	7,436,408	6,265,864
Youth Services	3,812,371	3,769,734
Other	725,655	87,655
Total	<u>\$ 78,699,697</u>	<u>\$ 68,560,619</u>

**NOTE 9 LONG-TERM DEBT**

The Agency had a note payable to a bank with a variable interest rate secured by a mortgage of real property and assignment of rents recorded against the property. The interest rate was based on changes in the one-month London Interbank Offered Rate (LIBOR) with an initial rate of 2.744%. During the year ended June 30, 2024, the Agency paid the remaining balance in full. The outstanding balance was \$625,000 at June 30, 2023.

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**NOTE 10 CREDIT FACILITIES**

The Agency has a credit facility (\$5,000,000 as of June 30, 2024 and 2023) with a commercial bank which expires on December 31, 2024. Amounts drawn against the facility bear interest at SOFR (secured overnight financing rate) plus 1.5%. No borrowings were outstanding at June 30, 2024 or 2023. The facility contains certain financial covenants related to liquidity and debt limitations which management believes have been met or waived. It is secured by cash and investments with a market value of approximately \$28,986,000 and \$26,588,000 at June 30, 2024 and 2023, respectively. The Agency pledged a portion of this credit facility as security on a letter of credit (see Note 13).

Subsequent to year-end, on December 9, 2024, the credit facility was amended to reduce the amount of available borrowing to \$3,000,000 and extend the expiration date to December 31, 2025.

**NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following purposes or periods as directed by the donors as of June 30:

	2024	2023
Subject to Expenditure for Specified Purpose:		
Counseling	\$ 1,721,657	\$ 1,363,147
Public Policy	-	603,927
Child Care	248,003	208,000
Parent Support	1,246,304	664,198
Youth Services	80,653	85,936
Child Care Resources and Referral	-	4,000
Other	155,000	25,000
Endowments:		
Subject to Appropriation and Expenditure when a Specified Event Occurs:		
Unappropriated Earnings on Permanently Restricted Endowment Funds for Various Programs	3,921,310	3,433,310
Subject to Endowment Spending Policy and Appropriation:		
Donor-Restricted Endowment Funds for Various Programs	2,725,778	2,725,778
Not Subject to Spending Policy or Appropriation:		
Beneficial Interest in Trusts	5,574,808	5,254,794
Other Donor-Restricted	75,952	75,952
Total Net Assets With Donor Restrictions	\$ 15,749,465	\$ 14,444,042

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**NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

Certain net assets represent donor-restricted investments to be held in perpetuity. Each year, the trustees of the investments appropriate a portion of the income from there to support program services. The remaining unappropriated earnings are available to support future program services.

Donor-restricted net assets to be held in perpetuity are included in donor-restricted cash and investments, beneficial interest in trusts, and other cash and cash equivalents on the consolidated statements of financial position.

**NOTE 12 ENDOWMENTS**

The Agency's endowments consist of three donor-restricted funds and the Agency's board-designated fund. The donor-restricted funds have been established to support various programs of the Agency. Net assets associated with the endowment funds are classified and reported based on the existence of any donor-imposed restrictions.

**Interpretation of Relevant Law**

The Agency has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of any donor-restricted endowment funds absent explicit donor stipulations to the contrary. Donor-restricted endowment amounts not retained in perpetuity are subject to appropriation in a manner consistent with the standard of prudence prescribed by UPMIFA and in accordance with donor stipulations.

**Return Objectives and Risk Parameters**

The Agency has adopted investment and distribution policies for endowment investments that attempt to enhance their real value. The intent is to earn a high rate of return while maintaining a balanced portfolio relative to risk.

**Distribution Policy**

The Agency's distribution policy for endowment investments includes board approvals of amounts to be distributed to the Agency's programs during each fiscal year.

**Strategies Employed for Achieving Objectives**

The Agency's investment strategy is to achieve a target allocation of 50% of the endowment in direct equity investments, including United States and international investments, 35% in partnerships and hedge funds, and 15% in fixed-income securities.

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**NOTE 12 ENDOWMENTS (CONTINUED)**

**Strategies Employed for Achieving Objectives (Continued)**

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-Restricted Endowment Funds	\$ -	\$ 6,647,088	\$ 6,647,088
Board-Designated Endowment Funds	<u>28,272,873</u>	<u>-</u>	<u>28,272,873</u>
Total Funds	<u>\$ 28,272,873</u>	<u>\$ 6,647,088</u>	<u>\$ 34,919,961</u>

Changes in endowment net assets for the fiscal year ended June 30, 2024 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net Assets - Beginning of Year	\$ 25,919,464	\$ 6,159,088	\$ 32,078,552
Investment Return:			
Investment Income, Net of Fees	675,317	130,474	805,791
Realized and Unrealized Gains	<u>2,890,322</u>	<u>637,526</u>	<u>3,527,848</u>
Total Investment Return	3,565,639	768,000	4,333,639
Appropriation of Endowment Assets for Expenditures	<u>(1,212,230)</u>	<u>(280,000)</u>	<u>(1,492,230)</u>
Net Assets - End of Year	<u>\$ 28,272,873</u>	<u>\$ 6,647,088</u>	<u>\$ 34,919,961</u>

Endowment net asset composition by type of fund as of June 30, 2023 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-Restricted: Endowment Funds	\$ -	\$ 6,159,088	\$ 6,159,088
Board-Designated: Endowment Funds	<u>25,919,464</u>	<u>-</u>	<u>25,919,464</u>
Total Funds	<u>\$ 25,919,464</u>	<u>\$ 6,159,088</u>	<u>\$ 32,078,552</u>

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**NOTE 12 ENDOWMENTS (CONTINUED)**

**Strategies Employed for Achieving Objectives (Continued)**

Changes in endowment net assets for the fiscal year ended June 30, 2023 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets - Beginning of Year	\$ 24,824,147	\$ 5,823,988	\$ 30,648,135
Investment Return:			
Investment Income, Net of Fees	443,027	158,739	601,766
Realized and Unrealized Gains	<u>1,708,558</u>	<u>450,161</u>	<u>2,158,719</u>
Total Investment Return	2,151,585	608,900	2,760,485
Endowment Contributions and Other Changes to Board-Designated Amounts	50,532	-	50,532
Appropriation of Endowment Assets for Expenditures	<u>(1,106,800)</u>	<u>(273,800)</u>	<u>(1,380,600)</u>
Net Assets - End of Year	<u>\$ 25,919,464</u>	<u>\$ 6,159,088</u>	<u>\$ 32,078,552</u>

**NOTE 13 COMMITMENTS AND CONTINGENCIES**

**Letters of Credit**

One of the Agency's banks issued, on behalf of the Agency, two irrevocable standby letters of credit with a total outstanding amount of \$544,894. The first is in favor of BRI 1861 West Monroe LLC and pertains to 200 West Monroe Street, Chicago, Illinois. The second is in favor of 100 North Western LLC and pertains to 100 North Western Avenue, Chicago, Illinois. Each of these letters of credit acts as a security deposit for the Agency's lease of space and would be applied by the beneficiary for the purpose of curing any amount of default on the lease by the Agency. These letters of credit are payable in the amount of the remaining balance if drawn upon.

**Litigation**

The Agency is named in various lawsuits arising in the ordinary course of business. The ultimate resolution of these lawsuits, including any related financial effects on the Agency, is currently unknown. The Agency has not provided for any potential future losses arising from the resolution of these matters in the accompanying consolidated financial statements. Despite the inherent uncertainties of litigation, management does not believe that the lawsuits will have a material adverse impact on the financial condition of the Agency at this time.

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**NOTE 13 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**State Funding**

The Agency receives a significant portion of its revenues and other support from agencies of the state of Illinois. Payments for the Agency's programs funded by the state of Illinois may be subject to modification based on the amount of funding made available by the state. Should such funding modifications occur, they could have an adverse effect on the Agency's revenue and other support.

**Compliance with Grant Restrictions**

The state and federal grants received by the Agency are subject to audit. Management believes that any disallowance of expenditures under these grants would not be material.

**NOTE 14 LEASES**

The Agency leases certain program and office facilities throughout the state of Illinois as well as office equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2037 and provide for a variety of renewal options. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. Most of the facility leases provide for increases in future minimum lease payments. Additionally, the agreements generally require the Agency to pay a portion of common area costs, insurance, and maintenance costs. Some of the agreements require the Agency comply with certain covenants. As of June 30, 2024 the Agency believes it is in compliance with all covenants. Rental expense recognized under these operating leases was \$2,051,944 and \$1,881,328 for the years ended June 30, 2024 and 2023, respectively.

The following table provides quantitative information concerning the Agency's leases:

	<u>2024</u>	<u>2023</u>
Lease Costs:		
Operating Lease Costs	<u>\$ 2,051,944</u>	<u>\$ 1,881,328</u>
Other Information:		
Operating Cash Flows from Operating Leases	\$ 2,030,580	\$ 1,877,515
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 1,554,695	\$ 1,013,266
Weighted-Average Remaining Lease Term - Operating Leases	9.7 Years	10.1 Years
Weighted-Average Discount Rate - Operating Leases	2.09%	1.83%

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**NOTE 14 LEASES (CONTINUED)**

A maturity analysis of annual undiscounted cash flows for lease as of June 30, 2024 is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 1,837,439
2026	1,712,147
2027	1,744,169
2028	1,581,225
2029	1,521,250
Thereafter	<u>7,070,158</u>
Total Lease Payments	15,466,388
Less: Present Value Discount	<u>(1,441,892)</u>
Present Value of Lease Liabilities	<u>\$ 14,024,496</u>

**NOTE 15 CONTRIBUTIONS OF NONFINANCIAL ASSETS**

The following table shows the Agency's contributions of nonfinancial assets:

	<u>2024</u>	<u>2023</u>
Holiday Gifts for Participants	\$ 89,804	\$ 147,040
Services	60,000	187,155
Total	<u>\$ 149,804</u>	<u>\$ 334,195</u>

The Agency recognizes contributed nonfinancial assets at their estimated fair value when received. In-kind contributions are measured at fair value and determined based on the price for which the item could be sold on the open market and is assigned based on information provided by the donor. Donations of services are recorded if they create or enhance a nonfinancial asset or are specialized skills that would be purchased if they were not donated. For All contributed nonfinancial assets were utilized by the Agency's programs and supporting services. There were no donor-imposed restrictions associated with the donated nonfinancial assets.

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**NOTE 16 PAYCHECK PROTECTION PROGRAM**

The Agency received a loan in the amount of \$925,000 in March 2021 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the federal Paycheck Protection Program (PPP). The PPP Loan bears interest at a fixed rate of 1% per annum, has a term of two years, and is unsecured and guaranteed by the SBA. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Agency fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. The PPP Loan was fully forgiven by the SBA in September 2022 and is included as miscellaneous revenue on the accompanying consolidated statement of activities and changes in net assets for the year ended June 30, 2023.

The SBA may review funding eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Agency's financial position.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND REPORT ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees  
Children's Home and Aid Society of Illinois and Affiliates  
dba: Brightpoint and Affiliates  
Chicago, Illinois

We have audited, 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, the consolidated financial statements of the Children's Home and Aid Society of Illinois and Affiliates dba: Brightpoint and Affiliates (the Agency), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated February 14, 2025.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the consolidated financial statements, we considered the Agency'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 have not been identified.

Board of Trustees  
Children's Home and Aid Society of Illinois and Affiliates  
dba: Brightpoint and Affiliates

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Agency's consolidated 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 consolidated 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 result of that testing, and not to provide an opinion on the effectiveness of the Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Oak Brook, Illinois  
February 14, 2025



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLAglobal.com/disclaimer](http://CLAglobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

Brightpoint is a leading child and family service organization in Illinois advancing the well-being of children by investing in families to disrupt the systemic and multi-generational cycle of racial, social and economic inequality. **Our work drives us toward:**



### Prevention

A continued but deliberate shift upstream with an **emphasis on prevention**



### Family

Recognition and commitment to **family as the critical asset** for child well-being



### Equity

A more **intentional focus on racial and social equity** to disrupt the cycle of poverty and child maltreatment

**In FY2024, we provided ongoing services to 34,561 participants in these program areas:**



#### Parent Support

**5,455 parents and children**



#### Child Welfare

**8,343 adults and children**



#### Mental Health & Wellness

**3,771 adults and children**



#### Early Childhood Care & Education

**1,646 parents and children**



#### Youth Services

**880 youth**

**14,466 adults and children** were connected to early learning programs through our Child Care Resource and Referral (CCR&R) program and the Child Care Assistance Program (CCAP).

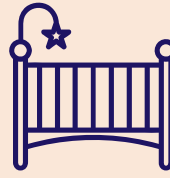
## Program Impact

**1,128** youth and young adults in Chicago learned how to make healthy decisions while navigating the trauma and violence in their communities through our Choose to Change® (C2C) violence intervention program.

The positive difference made for youth in our Choose to Change® (C2C) program remains long after the program ends. A 2024 University of Chicago Crime Lab report found that 36 months after the start of programming, youth were **23%** less likely to be arrested and **28%** less likely to be arrested for a violent offense compared to their peers who did not participate. Within 2 years of the program, youth are **39%** less likely to be arrested for violent crimes than their peers.

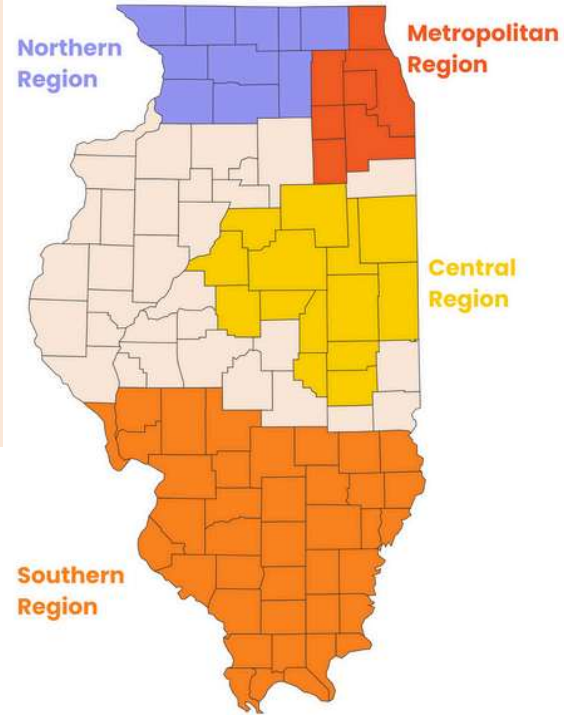
## Program Impact

Our two crisis nurseries in Bloomington and Rockford provided emergency child care services to **323** children and improved the long-term well-being of their **197** families by preventing a crisis, reducing family stress, and connecting them to supportive resources.



Our crisis nurseries often work with families who are involved with the Department of Child and Family Services (DCFS). This year, **303** admissions were made to our crisis nurseries instead of DCFS.

## 70 Counties Served



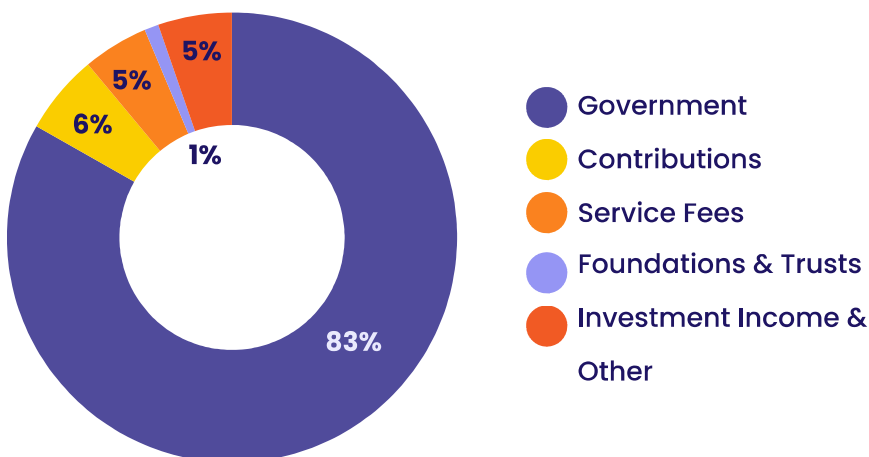
**1,226** children and youth experiencing neglect or abuse and their families received foster care services.

**189** children and youth returned to their families or other loving, permanent homes.

School-based mental health and wellness programs are designed to address childhood trauma and students' mental health needs. School-based mental health services worked with **137** youth and children in 6 schools across Chicago and **81** youth and children in 3 schools in Winnebago County.

**2,883** children received Intact services with the goal of remaining with their families and not entering foster care through dedicated support to strengthen their families.

## FY2024 Organizational Revenue: \$95,285,839



Home visitors supported **725** families striving to transform their children's future.

**83** families in our home visiting programs across the state piloted EMPATH's Mobility Mentoring® model. Mobility Mentoring® partners with families to identify their strengths and works with them to make behavior changes and acquire skills to attain economic independence.