CHADS COALITION FOR MENTAL HEALTH

AUDITED
FINANCIAL STATEMENTS

FOR THE YEARS ENDED
JUNE 30, 2025 AND 2024

CHADS COALITION
FOR MENTAL HEALTH

CONTENTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
CHADS Coalition for Mental Health

Opinion

We have audited the accompanying financial statements of CHADS Coalition for Mental Health (CHADS) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CHADS as of June 30, 2025 and 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 audits 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 Financial Statements section of our report. We are required to be independent of CHADS and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CHADS' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CHADS' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CHADS' ability to continue as a going concern for a reasonable period.

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 Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise CHADS' basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

F.E.W. CPAs

F.E.W. CPAs
Saint Louis, Missouri
December 10, 2025

CHADS COALITION FOR MENTAL HEALTH
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	$ 1,067,837	$ 1,030,973
Investments	71,388	63,091
Accounts receivable, net of allowance	110,460	118,101
Grants receivable	10,000	5,000
Prepaid expenses	19,674	16,796
Total current assets	1,279,359	1,233,961
NONCURRENT ASSETS		
Right-of-use asset	296,235	341,978
Property and equipment, net of accumulated depreciation	25,672	36,810
Security deposit	5,083	4,083
Total noncurrent assets	326,990	382,871
Total assets	$ 1,606,349	$ 1,616,832

LIABILITIES AND NET ASSETS

	2025	2024
CURRENT LIABILITIES		
Accounts payable	$ 12,149	$ 6,088
Accrued payroll and related liabilities	113,711	89,657
Accrued expenses	32,484	56,010
Operating lease liability	47,362	46,600
Total current liabilities	205,706	198,355
NONCURRENT LIABILITIES		
Operating lease liability	248,873	295,378
Total noncurrent liabilities	248,873	295,378
Total liabilities	454,579	493,733
NET ASSETS		
Without donor restriction	902,758	948,459
With donor restriction	249,012	174,640
Total net assets	1,151,770	1,123,099
Total liabilities and net assets	$ 1,606,349	$ 1,616,832

CHADS COALITION FOR MENTAL HEALTH
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUE						
Program	$ 1,941,200	$ -	$ 1,941,200	$ 1,782,900	$ -	$ 1,782,900
Grants	622,992	74,372	697,364	568,706	31,001	599,707
Special events	555,853	-	555,853	447,582	-	447,582
Contributions	100,064	-	100,064	208,691	-	208,691
Other	619	-	619	2,912	-	2,912
Total support and revenue	3,220,728	74,372	3,295,100	3,010,791	31,001	3,041,792
Net assets released from restrictions						
Satisfaction of restrictions	-	-	-	-	-	-
Total	3,220,728	74,372	3,295,100	3,010,791	31,001	3,041,792
EXPENSES						
Program services						
SOS	480,786	-	480,786	528,662	-	528,662
FS	1,029,000	-	1,029,000	843,043	-	843,043
SEW	1,031,850	-	1,031,850	910,362	-	910,362
Awareness	85,741	-	85,741	96,583	-	96,583
Total program services	2,627,377	-	2,627,377	2,378,650	-	2,378,650
Supporting services						
General and administration	333,955	-	333,955	259,228	-	259,228
Fundraising	344,605	-	344,605	339,691	-	339,691
Total supporting services	678,560	-	678,560	598,919	-	598,919
Total expenses	3,305,937	-	3,305,937	2,977,569	-	2,977,569
Changes in net assets from operations	(85,209)	74,372	(10,837)	33,222	31,001	64,223
INVESTMENT ACTIVITIES						
Interest and dividends	31,211	-	31,211	23,618	-	23,618
Net realized and unrealized (gains) losses on investments	8,297	-	8,297	5,548	-	5,548
Total investment activities	39,508	-	39,508	29,166	-	29,166
Changes in net assets	(45,701)	74,372	28,671	62,388	31,001	93,389
Net assets - beginning of year	948,459	174,640	1,123,099	886,071	143,639	1,029,710
Net assets - end of year	$ 902,758	$ 249,012	$ 1,151,770	$ 948,459	$ 174,640	$ 1,123,099

See accompanying notes and independent auditors' report

CHADS COALITION FOR MENTAL HEALTH
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Programs								
	SOS	FS	SEW	Awareness	Total Program Services	General and Administration	Fundraising	Total Support Services	Total
Salaries and wages	$ 361,616	$ 780,952	$ 789,574	$ 67,231	$ 1,999,373	$ 154,412	$ 160,757	$ 315,169	$ 2,314,542
Special events	-	-	-	-	-	211	117,109	117,320	117,320
Direct expenses	-	-	-	-	-	180	13,215	13,395	13,395
Professional fees and services	4,147	9,226	9,309	784	23,466	1,871	2,190	4,061	27,527
Contractors	-	8,128	130	-	8,258	134,799	1,249	136,048	144,306
Meals/mileage/other	16,136	12,323	21,985	201	50,645	479	1,654	2,133	52,778
Payroll taxes and employee benefits	66,717	146,917	148,540	12,648	374,822	30,362	30,243	60,605	435,427
Depreciation	2,764	6,071	6,138	522	15,495	1,247	1,250	2,497	17,992
Rent	10,140	22,270	22,516	1,917	56,843	4,575	4,584	9,159	66,002
Supplies and other	2,638	6,589	6,022	451	15,700	1,077	1,714	2,791	18,491
Subscriptions	9,346	15,284	11,374	644	36,648	1,537	3,285	4,822	41,470
Insurance	1,652	3,628	3,668	312	9,260	745	747	1,492	10,752
Conferences and meetings	455	999	1,135	86	2,675	205	2,377	2,582	5,257
Professional development	621	6,528	1,271	84	8,504	200	268	468	8,972
Other	4,554	10,085	10,188	861	25,688	2,055	3,963	6,018	31,706
Total	$ 480,786	$ 1,029,000	$ 1,031,850	$ 85,741	$ 2,627,377	$ 333,955	$ 344,605	$ 678,560	$ 3,305,937

CHADS COALITION FOR MENTAL HEALTH
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Programs								
	SOS	FS	SEW	Awareness	Total Program Services	General and Administration	Fundraising	Total Support Services	Total
Salaries and wages	$ 407,358	$ 656,558	$ 710,058	$ 71,601	$ 1,845,575	$ 122,099	$ 162,426	$ 284,525	$ 2,130,100
Special events	-	-	-	-	-	-	118,582	118,582	118,582
Direct expenses	-	-	-	-	-	-	10,065	10,065	10,065
Professional fees and services	4,702	8,096	7,820	772	21,390	1,763	2,339	4,102	25,492
Contractors	-	3,228	-	-	3,228	103,769	-	103,769	106,997
Meals/mileage/other	20,633	4,519	16,405	3	41,560	8	250	258	41,818
Payroll taxes and employee benefit	65,830	109,184	118,094	11,922	305,030	23,376	27,043	50,419	355,449
Depreciation	3,050	5,420	5,863	592	14,925	1,353	1,344	2,697	17,622
Rent	9,286	16,167	18,606	1,803	45,862	4,119	4,090	8,209	54,071
Supplies and other	816	3,896	1,477	145	6,334	330	1,125	1,455	7,789
Health savings	2,100	3,572	3,864	390	9,926	-	885	885	10,811
Subscriptions	11,398	11,111	11,427	436	34,372	996	3,264	4,260	38,632
Insurance	2,405	4,272	4,621	467	11,765	1,066	1,059	2,125	13,890
Conferences and meetings	10	17	19	2	48	4	4	8	56
Professional development	170	15,437	10,656	8,304	34,567	9	1,509	1,518	36,085
Other	904	1,566	1,452	146	4,068	336	5,706	6,042	10,110
Total	$ 528,662	$ 843,043	$ 910,362	$ 96,583	$ 2,378,650	$ 259,228	$ 339,691	$ 598,919	$ 2,977,569

CHADS COALITION FOR MENTAL HEALTH
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ 28,671	$ 93,389
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Amortization of right-of-use assets	45,743	44,182
Depreciation	17,992	17,622
Net realized and unrealized (gains) losses on investments	(8,297)	(5,548)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable, net of allowance	7,641	205,138
(Increase) decrease in grants receivable	(5,000)	-
(Increase) decrease in prepaid expenses	(2,878)	(10,055)
(Increase) decrease in other assets	(5,000)	-
(Increase) decrease in security deposit	(1,000)	-
Increase (decrease) in accounts payable	6,061	(3,557)
Increase (decrease) in deferred revenue	-	(2,500)
Increase (decrease) in accrued payroll and related liabilities	24,054	6,260
Increase (decrease) in accrued expenses	(23,526)	56,010
Operating lease payments	(45,743)	(44,182)
Net cash provided by (used in) operating activities	38,718	356,759
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale in investments	9,084	-
Purchases of property and equipment	(6,854)	(12,401)
Net cash provided by (used in) investing activities	2,230	(12,401)
CASH FLOWS FROM FINANCING ACTIVITIES		
None	-	-
Net cash provided by (used in) financing activities	-	-
Net increase (decrease) in cash and cash equivalents	40,948	344,358
Cash and cash equivalents - beginning of year	1,026,890	682,532
Cash and cash equivalents - end of year	$ 1,067,838	$ 1,026,890
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid during the year for leases	$ 47,362	$ 46,601

See accompanying notes and independent auditors' report

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

CHADS Coalition for Mental Health (CHADS) offers Signs of Suicide (SOS), Family Support (FS), Social Emotional Well-being (SEW), and Awareness programs to advance the awareness and prevention of depression and suicide.

The SOS program is an evidence-based suicide prevention program, with presentations for students in grades 5 - 12, faculty, and parents. CHADS trains students, parents, and adults on recognizing and preventing suicide in partnership with MindWise Innovations. SOS teaches participants the symptoms of depression, signs of suicide, and the importance of telling a trusted adult when they notice those warning signs in themselves or someone they know. Highly trained bachelor's and master's level trainers guide discussions around mental health and the importance of seeking help as early as possible. Training sessions are available for youth from 5th grade through senior year, as well as parents, teachers, and community members. At the end of each student training, participants are guided through a screening for depression and allowed to ask to speak with a counselor for themselves or someone they know. Through the screening and self-referral process in the student training, SOS gives students an immediate, tangible action to seek help. Schools can then identify students who may have fallen through the cracks and connect them with resources as early as possible.

The FS program provides targeted, short-term counseling support to children and adolescents (ages 25 and under) who are struggling with symptoms of anxiety, depression, or suicidal ideation. CHADS’ licensed and provisionally licensed counselors and social workers utilize evidence-based Brief Solution-Focused Therapy interventions to help their clients set goals, develop coping skills, and find hope for the future. CHADS’ clinicians are thoroughly trained in comprehensive risk assessment and safety-planning and are uniquely qualified to address thoughts of suicide. Risk assessment and safety planning are at the forefront of every session for clients who have experienced thoughts of suicide, and referrals for additional treatment are provided when appropriate.

The SEW program is composed of complementary, evidence-based programs that promote social and emotional learning resiliency and bullying prevention. CHADS uses the evidence-based Collaborative for Academic, Social, and Emotional Learning competencies, which are self-awareness, self-management, social-awareness, relationship skills, and responsible decision making. Research has shown that students who develop skills in these areas also experience improvement in grades, behavior, peer relationships, and an overall sense of well-being. As a participant in the program, students from grades K-12 will be matched with a CHADS Social Emotional Mentor and meet weekly for 30-minute sessions, which follow a curriculum structured on these social emotional learning skills. During the mentoring sessions, the mentor will use different teaching modalities to engage mentees, such as dialogue, role playing, art, worksheets, journaling, and games. The student’s progress is assessed throughout the program. CHADS mentors all have a bachelor’s or master’s degree and are trained in teaching the social-emotional learning curriculum. All mentors at CHADS are screened and receive a thorough background check as part of employment accreditation standards.

Revenue from Contracts with Customers

CHADS recognizes revenue that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting
The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation
The financial statements of CHADS have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), which require CHADS to report information regarding its financial position and activities according to the following net asset classifications:

> Net Assets Without Donor Restriction - Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions.
>
> Net Assets With Donor Restriction - Net assets with donor restrictions are subject to donor or certain grantor restrictions. Some 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 restrictions are perpetual in nature, where the donor or grantor stipulates that those resources be maintained in perpetuity.

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

Program Revenue
Program revenue is recognized as CHADS satisfies performance obligations under its contracts. Revenue is reported at the estimated transaction price or amount that reflects the consideration to which CHADS expects to be entitled in exchange for providing services. CHADS determines the transaction price based on standard charges for goods and services provided, reduced by implicit and explicit price concessions. CHADS determines its estimates of implicit and explicit price concessions based upon contractual agreements, its discount policies, and historical experience.

Cash and Cash Equivalents
CHADS considers all liquid investments with original maturities of three months or less to be cash equivalents. As of June 30, 2025, and 2024, there were no cash equivalents. Amounts held in investment accounts are included in investments, rather than cash and cash equivalents.

Accounts Receivable
Accounts receivable reflects the outstanding amount of consideration to which CHADS expects to be entitled in exchange for services provided. These amounts are due from students, third-party payors (including health insurers and government programs), and others. CHADS provides an allowance for credit losses, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions adjusted for current conditions and reasonable and supportable forecasts. The allowance for the fiscal year ended June 30, 2025 and 2024 was $53,200 and $0, respectively.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long-Lived Asset Impairment
CHADS evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimate future of cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value, and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended June 30, 2025, and 2024.

Leases
CHADS determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of right-of-use (ROU) assets and lease liabilities on the statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. CHADS determines lease classification as operating or finance at the lease commencement date.

At lease commencement, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. CHADS has made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable to the lease term.

The lease term may include options to extend or to terminate the lease that CHADS is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

CHADS has elected not to record leases with an initial term of 12 months or less on the balance sheet. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Property and Equipment
Purchase of property and equipment with a value of $500 or more are capitalized, while all other purchases are recorded as an expense in the year purchased. Property and equipment are carried at cost, less accumulated depreciation and amortization. Depreciation and amortization are charged to expense on a straight-line basis over the estimated useful life of each asset. The estimated lives of furniture and fixtures range from five to seven years, the lives of equipment are five years, and leasehold improvements are amortized over the shorter of the lease term or respective estimated useful lives. Depreciation expense for the fiscal years ended June 30, 2025 and 2024, was $17,993 and $17,622, respectively.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and Net Investment Return
CHADS measures securities at fair value.

Investment return includes dividend, interest, and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expense. Gains and losses on the sale of securities are recorded on the trade date.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the statements of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions, if any.

Grants
Support funded by grants is recognized as CHADS performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by granting agencies, and, as a result of such audits, adjustments could be required.

Special Events
During the fiscal year, CHADS conducts several special events for community awareness of CHADS mission and fundraising purposes. CHADS Gala, Day of Giving, and Trivia Night are conducted on an annual basis in addition to other third-party fundraising events and donations received are recognized as contributions without donor restriction, unless otherwise noted by donor.

Donated Services
CHADS receives significant donated services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized in the statement of activities for the fiscal years ended June 30, 2025 and 2024, as the criteria for recognition have not been satisfied.

Deferred Revenue
Revenue from fees for CHADS annual Illumination Gala is deferred and recognized over the periods to which the fees relate. CHADS does not have any contract liabilities or deferred revenue for the fiscal year ended June 30, 2025 and June 30, 2024.

Contributions
Contributions are provided to CHADS either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts - with or without donor restrictions. The value recorded for each contribution is recognized as follows:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Nature of the Gift	Value Recognized
Conditional gifts, with or without restriction	
Gifts that depend on CHADS overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, *i.e.* , the donor-imposed barrier is met
Unconditional Gifts, with or without restriction	
Received at date of gift - cash and other assets	Fair value
Received at date of gift - property, equipment, and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor-stipulated time restriction ends, or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment, and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income having donor stipulations that are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Conditional contributions having donor stipulations that are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

<u>Functional Allocation of Expenses</u>
The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Costs are allocated between fundraising and programs based on evaluations of the related benefits. General and administrative expenses include those expenses that are not directly identifiable with any other specific functions but provide for the overall support and direction of CHADS. The expenses that are allocated primarily involve allocations based on estimates of time and effort.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Promises to Give

Contributions and grants are recognized when the donor makes a promise to give to CHADS that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restriction if the restrictions expire in the fiscal year in which the contributions or grants are recognized. All other donor-restricted contributions and grants are reported as increases in net assets with donor restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to CHADS' program services and support services. Nonoperating activities are limited to resources that generate a return on investment and other activities considered to be of a more unusual or nonrecurring nature.

Use of Estimates in Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Professional Liability Claims

CHADS purchases professional liability insurance under an occurrence-basis policy. Under such a policy, all incidents that occur during the policy period and are subsequently reported are covered under the provisions of the policy. For covered claims, in general, CHADS has no deductible for the costs of litigation or settling an asserted claim.

Income Taxes

CHADS is exempt from income taxes pursuant to section 501(c)(3) of the Internal Revenue Service Code and a similar provision of state law. However, CHADS is subject to federal income tax on any unrelated business taxable income. CHADS files tax returns in the U.S. Federal jurisdiction.

CHADS adopted the provisions of Accounting for Uncertainty in Income Taxes. This accounting standard requires that a tax position be recognized or derecognized based on a "more-likely-than-not" threshold. This applies to positions taken or expected to be taken in a tax return. CHADS does not believe its financial statements include (or reflect) any uncertain tax positions. CHADS tax returns filed for fiscal years 2022 and prior are closed.

NOTE 2 - PROFIT-SHARING PLAN

CHADS has a defined contribution pension plan covering substantially all employees. The Board of Directors annually determines the amount, if any, of CHADS' contributions to the plan. Pension expense was $38,443 and $24,144 for the fiscal years ended June 30, 2025 and 2024, respectively.

NOTE 3 - REVENUE FROM CONTRACTS

Program Revenue
Performance obligations are determined based on the nature of the goods or services provided by CHADS in accordance with the contract. Revenue for performance obligations satisfied over time is recognized ratably over the period based on time elapsed. CHADS believes this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

Revenue is received from performance obligations when satisfied at a point in time, and CHADS does not believe it is required to provide additional goods or services related to those programs and support services.

Transaction Price and Recognition
CHADS determines the transaction price based on standard charges for goods and services provided, reduced by discounts provided in accordance with CHADS' policy and implicit price concessions provided. CHADS determines its estimates of explicit price concessions based on its discount policies. CHADS determines its estimate of implicit price concessions based on its historical collection experience.

Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to revenue in the period of the change. For the fiscal years ended June 30, 2025 and 2024, there were no adjustments to revenues for these matters.

CHADS has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the payors (for example, schools, governmental programs, and others) that have different reimbursement and payment methodologies, the geography of the service location, and CHADS' line of business that provided the service.

Revenue Composition
The composition of program revenue by primary payor for the fiscal years ended June 30, 2025 and 2024, is as follows:

	2025	2024
Government contracts	$ 1,245,029	$ 1,260,774
School contracts	460,000	415,284
Foundation contracts	194,706	-
Fee-for-service contracts	41,465	106,842
Total	$ 1,941,200	$ 1,782,900

NOTE 3 - REVENUE FROM CONTRACTS (continued)

The composition of program revenues based on lines of business revenue recognition for the fiscal years ended June 30, 2025 and 2024, is as follows:

	2025	2024
Service Lines		
SOS	$ 241,925	$ 305,699
FS	845,242	695,966
SEW	854,033	781,235
Total	$ 1,941,200	$ 1,782,900

The composition of program revenues based on area of service/region for the fiscal years ended June 30, 2025 and 2024, is as follows:

	2025	2024
Region		
Greater St. Louis area - Region 1	$ 1,907,779	$ 1,680,886
Hannibal Area - Region 5	17,546	25,913
Jefferson City area - Region 6	15,875	76,101
Total	$ 1,941,200	$ 1,782,900

NOTE 4 - NET ASSETS

Net assets with donor restriction as of June 30, 2025 and 2024 are restricted as follows:

	2025		2024	
	Purpose	Period	Purpose	Period
Program services	$ 214,012	$ -	$ 139,640	$ -
Endowment	35,000	-	35,000	-
Total	$ 249,012	$ -	$ 174,640	$ -

NOTE 5 - CONCENTRATION OF CREDIT RISK

CHADS maintains various deposit accounts with financial institutions. Each depositor is insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. As of June 30, 2025, the CHADS' bank balances did not exceed the insured limit.

CHADS grants credit without collateral for the program services provided. The mix of receivables at June 30, 2025, and 2024 is as follows:

NOTE 5 - CONCENTRATION OF CREDIT RISK (continued)

	2025	2024
Government contracts	90%	88%
School contracts	5%	12%
Nonprofit grants	5%	-
	100%	100%

NOTE 6 - PROPERTY AND EQUIPMENT

A summary of property and equipment as of June 30, 2025, and 2024 follows:

	2025	2024
Equipment	$ 73,168	$ 74,791
Furniture and fixtures	20,944	20,944
Improvements	15,804	15,804
Total depreciable property	109,916	111,539
Accumulated depreciation	(84,244)	(74,729)
Total property and equipment, net	$ 25,672	$ 36,810

NOTE 7 - INVESTMENTS

Investments and Investment Return

Total investment return as of June 30, 2025, and 2024 is as follows:

	2025	2024
Interest and dividend income	$ 31,211	$ 23,619
Realized and unrealized gains (losses)	8,297	5,548
Total	$ 39,508	$ 29,167

Disclosures About Fair Value of Assets

The Financial Accounting Standards Board 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 and the lowest priority to unobservable inputs.

The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that CHADS has the ability to access.

NOTE 7 – INVESTMENTS (continued)

Level 2 - Inputs to the valuation methodology include:
- Quoted prices for similar assets in active markets;
- Quoted prices for similar assets in inactive markets;
- Inputs other than quoted prices that are observable for the asset;
- Inputs that are derived principally from or corroborated by observable market data by the correlation or other means.

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025 and June 30, 2024.

Mutual funds: Valued at the net asset value of shares held by CHADS at year-end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while CHADS believes its valuation methods are appropriate and consistent, 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.

The following table sets forth by level, within the fair value hierarchy, CHADS' assets at fair value as of June 30, 2025:

	2025			
	Level 1	Level 2	Level 3	Total
Mutual funds	$ 71,388	$ -	$ -	$ 71,388
Total	$ 71,388	$ -	$ -	$ 71,388

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

	2024			
	Level 1	Level 2	Level 3	Total
Mutual funds	$ 63,091	$ -	$ -	$ 63,091
Total	$ 63,091	$ -	$ -	$ 63,091

NOTE 8 - AVAILABILITY AND LIQUIDITY

The following represents CHADS' financial assets as of June 30, 2025, and 2024 were as follows:

	2025	2024
Financial assets at year-end:		
Cash and cash equivalents	$ 1,067,837	$ 1,026,890
Investments	71,388	63,091
Accounts receivable, net of allowance	110,460	118,101
Total financial assets at year-end	1,249,685	1,208,082
Less amounts not available for general expenditures within one year:		
Net assets with period restrictions in excess of one year	-	-
Net assets with purpose restrictions	249,012	174,640
Total amounts not available to meet general expenditures within one year	249,012	174,640
Financial assets available to meet general expenditures within one year	$ 1,000,673	$ 1,033,442

NOTE 9 - SIGNIFICANT ESTIMATES AND CONCENTRATIONS

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Grant and Contribution Revenues
Support funded by grants and contributions is recognized as CHADS performs the contracted service or incurs outlays eligible for reimbursement under the grant and contribution agreements as described in the summary of significant accounting policies and concentration of credit risk notes.

Program Revenues
Concentrations of program revenue as described in the revenue from contracts note.

Variable Consideration
Estimates of variable consideration in determining the transaction price for program revenue, as described in the summary of significant accounting policies and revenue from contracts notes.

Professional Liability Claims
Estimates related to the accrual for professional liability claims are described in the summary of significant accounting policies note.

NOTE 9 - SIGNIFICANT ESTIMATES AND CONCENTRATIONS (continued)

Investments
CHADS invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of financial position.

NOTE 10 - OPERATING LEASE

Nature of Leases
CHADS has entered into the following lease arrangements:

Operating Leases
CHADS leases office space that expires March 31, 2026. The office lease contains one renewal option for five years and requires CHADS to pay all executory costs (property taxes, maintenance, and insurance). Office lease payments have an escalating fee schedule of approximately 3% increase each year. Termination of the leases is generally prohibited unless there is a violation under the lease agreement. Security deposit associated with the lease as of June 30, 2025, and 2024 was $4,083 and $4,083, respectively.

Short-Term Leases
CHADS leases certain equipment that is less than 12 months. Total lease expense included in operating expenses for the fiscal years ended June 30, 2025 and 2024, was immaterial.

All Leases
CHADS has no material related-party leases.

CHADS' lease agreements do not contain any material residual value guarantees or material restrictive covenants.

As of June 30, 2025, the right-of-use asset had a balance of $296,235, as shown in noncurrent assets on the statement of financial position; the operating lease liability is included in current liabilities for $47,362 and $248,873 for noncurrent liabilities, respectively. The lease asset and liability were calculated using the risk-free discount rate according to the Organization's selected policy.

NOTE 10 - OPERATING LEASE (continued)

Future minimum lease payments as of June 30, 2025 are as follows:

	Operating Lease
2026	$ 56,755
2027	56,755
2028	56,755
2029	56,755
2030	56,755
Thereafter	42,566
Total future undiscounted lease payments	326,341
Less interest	(30,106)
Future minimum lease liabilities	$ 296,235

NOTE 11 - REVENUE RECOGNITION UNDER ASU 2014-09

Contract Balances
CHADS recognizes revenue that depicts the transfer of services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services. The beginning and ending contract-type balances were as follows:

	June 30, 2025	June 30, 2024	June 30, 2023
Accounts receivable, net of allowance	$ 110,460	$ 118,101	$ 323,239

Significant Judgments
There were no significant judgments used for the recognition of revenue for the fiscal years ended June 30, 2025 and 2024, respectively. Also, during fiscal yeasr 2025 and 2024 there were no changes in the judgments gross used for determining the timing of the satisfaction of performance obligations or transaction prices allocated to performance obligations.

Practical Expedients Used for Financing Components
There is no financing component to CHADS's recognition of revenue.

NOTE 12 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 10, 2025, which is the date the financial statements were available to be issued. No material subsequent events were identified.

SUPPLEMENTAL INFORMATION

CHADS COALITION FOR MENTAL HEALTH
SCHEDULE OF PROJECT UNIT COSTS
FISCAL YEAR ENDED JUNE 30, 2025

	SOS Program Presentation	SOS Program Support	FS Program Counseling	SEW Program Mentoring
Program Expenses				
Salaries and benefits	$ 380,226	$ 17,500	$ 927,869	$ 938,114
Contractor labor	-	-	8,128	-
Professional fees	3,965	182	9,226	9,309
Meals/mileage/other	12,657	582	12,323	21,985
Training	594	27	6,528	1,271
Meetings	435	20	999	1,135
Supplies	2,522	116	6,589	6,022
Equipment	271	31	663	671
Computer and software	5,093	253	15,284	11,374
Printing and copying	279	32	681	689
Insurance	1,561	91	3,628	3,668
Other	6,393	313	14,811	14,966
Total program expenses	413,996	19,147	1,006,729	1,009,204
Less: unallowed occupancy expenses	-	-	-	130
Total direct program expenses	413,996	19,147	1,006,729	1,009,334
Indirect expenses	43,307	5,024	137,318	137,673
Total program expenses	457,303	24,171	1,144,047	1,147,007
Total units served	2,415.30	113.67	6,212.50	9,503.42
Cost per unit	$ 189.34	$ 212.64	$ 184.15	$ 120.69