

Penfield Children's Center, Inc. and Affiliates

Consolidated Financial Statements and Supplemental
Information

December 31, 2020 and 2019

Penfield Children's Center, Inc. and Affiliates

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Independent Auditors' Report

To the Board of Directors of
Penfield Children's Center, Inc. and Affiliates

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Penfield Children's Center, Inc. and Affiliates (the Organization), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Consolidating Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information as identified in the table of contents is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual organizations, and it is not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 7, 2021 on our consideration of the Organization'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 Organization'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 Organization's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Milwaukee, Wisconsin
July 7, 2021

Penfield Children's Center, Inc. and Affiliates

Consolidated Statements of Financial Position
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Cash and cash equivalents	\$ 6,048,180	\$ 3,304,225
Investments	5,563,824	4,739,052
Accounts receivable, net	139,046	180,898
Grants receivable	559,217	400,256
Contributions and pledges receivable, net	927,423	2,297,374
Prepaid expenses	159,744	61,168
Property and equipment, net	<u>4,426,651</u>	<u>4,533,954</u>
Total assets	<u>\$ 17,824,085</u>	<u>\$ 15,516,927</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 530,243	\$ 522,034
Grant funds received in advance	95,316	86,735
Notes payable	<u>418,795</u>	<u>366,335</u>
Total liabilities	<u>1,044,354</u>	<u>975,104</u>
Net Assets		
Without donor restrictions	11,178,970	9,562,178
With donor restrictions	<u>5,600,761</u>	<u>4,979,645</u>
Total net assets	<u>16,779,731</u>	<u>14,541,823</u>
Total liabilities and net assets	<u>\$ 17,824,085</u>	<u>\$ 15,516,927</u>

See notes to consolidated financial statements

Penfield Children's Center, Inc. and Affiliates

Consolidated Statements of Activities
Years Ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenues						
Milwaukee County Department of Human Services	\$ 1,755,995	\$ -	\$ 1,755,995	\$ 1,622,712	\$ -	\$ 1,622,712
U.S.D.A. food program	79,884	-	79,884	136,712	-	136,712
United Way of Greater Milwaukee, Inc.	75,684	384,816	460,500	122,228	434,265	556,493
Service fees and child care	1,846,408	-	1,846,408	2,377,050	-	2,377,050
Contributions and other grants	1,736,371	2,659,760	4,396,131	797,617	1,371,628	2,169,245
School grants	1,316,562	-	1,316,562	1,207,584	-	1,207,584
In-kind contributions	132,784	-	132,784	135,039	-	135,039
Fundraising events	456,037	-	456,037	445,605	-	445,605
Cost of direct benefit to donors	-	-	-	(37,800)	-	(37,800)
Investment return, net	479,519	57,432	536,951	879,227	39,552	918,779
Other income	53,187	-	53,187	172,337	-	172,337
Net assets released from restrictions	2,480,892	(2,480,892)	-	2,561,471	(2,561,471)	-
Total public support and revenues	10,413,323	621,116	11,034,439	10,419,782	(716,026)	9,703,756
Expenses						
Program services	7,397,330	-	7,397,330	8,349,009	-	8,349,009
Management and general	1,080,593	-	1,080,593	1,184,541	-	1,184,541
Development and fundraising	318,608	-	318,608	415,315	-	415,315
Total expenses	8,796,531	-	8,796,531	9,948,865	-	9,948,865
Change in net assets	1,616,792	621,116	2,237,908	470,917	(716,026)	(245,109)
Net Assets, Beginning	9,562,178	4,979,645	14,541,823	9,091,261	5,695,671	14,786,932
Net Assets, Ending	\$ 11,178,970	\$ 5,600,761	\$ 16,779,731	\$ 9,562,178	\$ 4,979,645	\$ 14,541,823

See notes to consolidated financial statements

Penfield Children's Center, Inc. and Affiliates

Consolidated Statements of Cash Flows
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 2,237,908	\$ (245,109)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Net realized and unrealized gain on investments	(312,222)	(774,039)
Depreciation and amortization expense	257,653	369,540
Gain on sale of property and equipment	-	(35,685)
Provision for doubtful accounts	4,250	32,260
Contributions with donor restrictions for capital campaign and endowment	(20,500)	(1,145,944)
Changes in assets and liabilities:		
Accounts receivable	41,852	55,251
Grants receivable	(158,961)	43,777
Contributions and pledges receivable	615,168	1,000,940
Prepaid expenses	(98,576)	(21,444)
Accounts payable and accrued expenses	23,054	(110,964)
Grant funds received in advance	8,581	(13,701)
	<u>2,598,207</u>	<u>(845,118)</u>
Cash Flows From Investing Activities		
Proceeds from sale of investments	2,521,219	2,161,730
Purchases of investments	(3,033,769)	(1,392,688)
Payments for purchase of property and equipment	(165,195)	(680,846)
Proceeds from sale of property and equipment	-	35,685
	<u>(677,745)</u>	<u>123,881</u>
Cash Flows From Financing Activities		
Cash received for capital campaign and endowment	771,033	1,648,310
Proceeds from notes payable	63,714	366,335
Payments on notes payable	(11,254)	-
	<u>823,493</u>	<u>2,014,645</u>
Net cash flows from investing activities	<u>(677,745)</u>	<u>123,881</u>
Net cash flows from financing activities	<u>823,493</u>	<u>2,014,645</u>
Net change in cash and cash equivalents	2,743,955	1,293,408
Cash and Cash Equivalents, Beginning	<u>3,304,225</u>	<u>2,010,817</u>
Cash and Cash Equivalents, Ending	<u>\$ 6,048,180</u>	<u>\$ 3,304,225</u>
Supplemental Cash Flow Disclosures		
Cash paid for interest	\$ 12,663	\$ 360
Cash paid for income taxes	\$ 2,489	\$ 20,456
Noncash Investing and Financing Activities		
Capital additions included in accounts payable	\$ -	\$ 14,845

See notes to consolidated financial statements

Penfield Children's Center, Inc. and Affiliates

Consolidated Statement of Functional Expenses

Year Ended December 31, 2020

	<u>Birth to Three</u>	<u>Penfield Montessori Academy</u>	<u>Other Programs</u>	<u>Total Programs</u>	<u>Management and General</u>	<u>Development and Fundraising</u>	<u>Total</u>
Expenses							
Salaries	\$ 1,282,600	\$ 1,356,581	\$ 1,984,818	\$ 4,623,999	\$ 597,992	\$ 254,630	\$ 5,476,621
Payroll taxes and benefits	345,174	303,972	637,330	1,286,476	123,071	38,686	1,448,233
Total salaries and related expenses	1,627,774	1,660,553	2,622,148	5,910,475	721,063	293,316	6,924,854
Advertising	-	-	-	-	138,931	-	138,931
Client transportation	-	7,709	507	8,216	-	-	8,216
Computer equipment	-	33,976	25,749	59,725	-	-	59,725
Conferences and meetings	3,409	45,393	10,999	59,801	2,211	420	62,432
Depreciation and amortization	26,945	96,762	107,592	231,299	23,207	3,147	257,653
Dues and subscriptions	264	13,178	20,867	34,309	41,697	2,136	78,142
Employee transportation	8,614	814	8,567	17,995	680	-	18,675
Equipment and parking lot rental	-	-	11,038	11,038	-	-	11,038
Food service	-	43,531	37,800	81,331	2,018	133	83,482
Insurance	4,613	36,344	73,321	114,278	5,837	1,361	121,476
Maintenance and repairs	23,214	101,145	100,065	224,424	-	-	224,424
Other supplies and expenses	1,724	54,914	64,365	121,003	4,568	11,725	137,296
Postage and office supplies	-	918	8,046	8,964	5,732	795	15,491
Printing and stationery	676	529	755	1,960	2,323	249	4,532
Professional services and consultant fees	16,711	220,709	94,428	331,848	126,330	-	458,178
Provision for bad debt	-	-	-	-	-	4,250	4,250
Telephone	24,804	16,236	20,005	61,045	5,996	1,076	68,117
Utilities	13,960	46,795	58,864	119,619	-	-	119,619
Total expenses	<u>\$ 1,752,708</u>	<u>\$ 2,379,506</u>	<u>\$ 3,265,116</u>	<u>\$ 7,397,330</u>	<u>\$ 1,080,593</u>	<u>\$ 318,608</u>	<u>\$ 8,796,531</u>

See notes to consolidated financial statements

Penfield Children's Center, Inc. and Affiliates

Consolidated Statement of Functional Expenses

Year Ended December 31, 2019

	<u>Birth to Three</u>	<u>Penfield Montessori Academy</u>	<u>Other Programs</u>	<u>Total Programs</u>	<u>Management and General</u>	<u>Development and Fundraising</u>	<u>Total</u>
Expenses							
Salaries	\$ 1,447,969	\$ 1,313,867	\$ 2,193,644	\$ 4,955,480	\$ 630,705	\$ 317,870	\$ 5,904,055
Payroll taxes and benefits	<u>345,269</u>	<u>342,543</u>	<u>616,547</u>	<u>1,304,359</u>	<u>143,596</u>	<u>40,642</u>	<u>1,488,597</u>
Total salaries and related expenses	1,793,238	1,656,410	2,810,191	6,259,839	774,301	358,512	7,392,652
Advertising	-	-	-	-	198,270	-	198,270
Client transportation	-	24,037	14,407	38,444	-	-	38,444
Computer equipment	-	45,730	20,496	66,226	228	-	66,454
Conferences and meetings	6,420	43,055	15,454	64,929	-	-	64,929
Depreciation and amortization	29,336	-	315,818	345,154	21,256	3,130	369,540
Dues and subscriptions	408	14,074	17,101	31,583	38,346	2,275	72,204
Employee transportation	39,809	28,457	44,531	112,797	4,481	1,403	118,681
Equipment and parking lot rental	2,505	-	11,497	14,002	-	-	14,002
Food service	398	97,907	63,301	161,606	6,197	1,009	168,812
Insurance	9,581	23,510	65,394	98,485	4,611	1,623	104,719
Maintenance and repairs	21,508	78,750	91,190	191,448	2,769	-	194,217
Other supplies and expenses	4,970	92,813	196,716	294,499	21,418	1,123	317,040
Postage and office supplies	146	2,654	12,024	14,824	6,338	2,198	23,360
Printing and stationery	340	4,311	13,163	17,814	2,075	10,272	30,161
Professional services and consultant fees	30,571	165,745	249,532	445,848	98,579	-	544,427
Provision for bad debt	-	-	-	-	-	32,260	32,260
Telephone	20,240	10,785	21,644	52,669	5,672	1,510	59,851
Utilities	14,971	60,933	62,938	138,842	-	-	138,842
Cost of direct benefit to donors	-	-	-	-	-	37,800	37,800
Total	1,974,441	2,349,171	4,025,397	8,349,009	1,184,541	453,115	9,986,665
Less cost of direct benefit to donors	-	-	-	-	-	(37,800)	(37,800)
Total expenses	<u>\$ 1,974,441</u>	<u>\$ 2,349,171</u>	<u>\$ 4,025,397</u>	<u>\$ 8,349,009</u>	<u>\$ 1,184,541</u>	<u>\$ 415,315</u>	<u>\$ 9,948,865</u>

See notes to consolidated financial statements

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2020 and 2019

1. Summary of Significant Accounting Policies

Basis of Statement Preparation

The consolidated financial statements include the accounts of Penfield Children's Center, Inc., Friends of Penfield Children's Center, Inc., VMMS Building Corp., Penfield Montessori Academy, Inc., PMA Building, LLC and PCC Building, LLC (collectively, the Organization), after eliminating intercompany accounts and transactions. The consolidated financial statements have been prepared on the accrual basis of accounting. The significant accounting policies are described below to enhance the usefulness of the consolidated financial statements to the reader.

Nature of Activities

Penfield Children's Center, Inc. (Penfield) is an exempt organization under section 501(c)(3) of the Internal Revenue Code. Its sole purpose is to help infants and young children with and without disabilities reach their full potential through education, therapy services and family programs. Annually, Penfield serves on average more than 1,500 children and their families. Penfield provides Birth-to-3 services, child care, family services, a special care nursery, behavior clinic and outpatient therapy services.

Friends of Penfield Children's Center, Inc. (Friends) is an exempt organization under section 501(c)(3) of the Internal Revenue Code. Its sole purpose is to provide support for Penfield and Penfield Montessori Academy, Inc., through an annual fundraising event as well as other charitable solicitations throughout the year.

VMMS Building Corp. is an exempt organization under section 501(c)(2) of the Internal Revenue Code. Its sole purpose is to provide physical space for Penfield and Friends to carry out their missions.

Penfield Montessori Academy, Inc. (PMA) is an exempt organization under section 501(c)(3) of the Internal Revenue Code. PMA has a fiscal year end of June 30. PMA is a school for all abilities. It opened in September of 2016, with three classrooms for children ages three to five in a Montessori environment, with one additional classroom added for each subsequent school year. When fully enrolled, PMA will have classrooms for three-year old kindergarten through eighth grade.

PMA Building, LLC is a limited liability company with one sole member, Penfield. Its sole purpose is to provide physical space for PMA to carry out its mission.

PCC Building, LLC is a limited liability company with one sole member, Penfield. Its sole purpose is to provide physical space for Penfield to carry out its mission.

Cash and Cash Equivalents

For the purpose of the consolidated financial statements, the Organization considers all highly liquid debt instruments purchased with maturity of three months or less and any certificates of deposit that do not contain material early withdrawal penalties to be cash equivalents.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value, with realized and unrealized gains and losses included in the consolidated statements of activities. Investment return is presented net of investment fees.

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2020 and 2019

The Organization follows current accounting guidance, which clarifies how organizations are required to use a fair value measure for recognition and disclosure by establishing a common definition of fair value, creating a framework for measuring fair value and expanding disclosures about fair value measurements. Current accounting guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Accounts Receivable

Contracts with patients and their caregivers that are considered exchange transactions are recorded at the amount management expects to receive from the net transaction price. Balances are recorded net of contractual adjustments for Medicaid and other third-party payors under terms of third-party reimbursement agreements in effect. The Organization also reports accounts receivable net of any implied discounts to determine the net transaction price.

Accounts receivable are uncollateralized patient obligations; most of whom are local residents and are stated at the amount management expects to collect from outstanding balances. The Organization follows up on past due amounts to reduce its exposure to potential uncollectible accounts.

Grants Receivable

Grants receivable represents the outstanding balance of government and other grants due to the Organization based upon costs incurred, services completed and terms identified in the contracts. Management determines the need for an allowance for doubtful accounts based on historical collection experience and a review of current grants receivable balances. Accounts written-off are charged against the allowance. No allowance for doubtful accounts is considered necessary as of December 31, 2020 and 2019.

Contributions and Pledges Receivable

Unconditional promises to give (pledges) are recognized as revenue in the period the promise is received. Management considers all pledges fully collectible; accordingly, no allowance is considered necessary. Accounts written-off are charged against the allowance. Pledges are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. The Organization applies a discount rate on long-term pledges receivable, which is based on treasury yield rates at the date of the gift.

Property and Equipment

Expenditures for land, equipment, building and improvements have been recorded at cost. Depreciation on the building and equipment is computed on the straight-line method over the estimated useful lives of the assets. Donations of land, building and equipment are recorded as contributions at their estimated fair values at the date of the donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire land, building and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

The Organization follows a policy whereby items having a cost of less than \$5,000 are charged to operations in the year of purchase.

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2020 and 2019

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

Environmental Remediation Liability

The Organization purchased land in 2018 adjacent to its current building for future use. During 2018, site investigation activities were undertaken to determine if remedial action was required prior to further use of the land. These activities continued through 2019. A conditional grant of \$68,500 was received to cover assessment, investigation, demolition and potential abatement costs. Cumulatively through December 31, 2020 and 2019, a total of \$62,810 had been reimbursed under the grant, with \$0 and \$38,355, respectively, being recognized as contributions and other grants revenue during each year. As of the date of this report, no potential environmental remediation has been identified and the Organization continues to test the site until full clearance is provided.

Advertising Expense

It is the policy of the Organization to expense advertising as it is incurred. Advertising for the years ended December 31, 2020 and 2019 was \$138,931 and \$198,270, respectively.

Net Assets

The Organization presents its consolidated financial statements in accordance with current accounting guidance, under which the Organization is required to report information regarding its financial position and activities according to classes of net assets as follows:

Net Assets Without Donor Restrictions. Net assets that are not subject to donor-imposed stipulations or time restrictions. The Organization's Board of Directors has the ability to designate net assets without donor restrictions to be used by management for specific future projects or activities. These designations can be modified or removed by the Board of Directors at any time.

Net Assets With Donor Restrictions. Net assets subject to donor-imposed stipulations that expire by passage of time, can be fulfilled and removed by actions of the Organization pursuant to those stipulations or that they be maintained permanently by the Organization.

Contributions and Grants

Unconditional contributions or grants are recognized when cash, securities, other assets or promises to give are received. Conditional contributions or grants, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Most of the Organization's federal, state and other grants or contracts are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. As of December 31, 2020 and 2019 there was approximately \$2,676,000 and \$3,149,000 of conditional grant revenue, respectively, which is expected to be recognized in subsequent years when the conditions are met.

During 2020 and 2019, \$95,316 and \$86,735, respectively, had been received in advance and are included within grant funds received in advance on the consolidated statements of financial position. These amounts are recognized in subsequent years when earned.

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2020 and 2019

Contributions, including unconditional promises to give, are recorded in the period received. All contributions restricted for a specific purpose by a donor are recorded as contributions with donor restrictions. When a donor restriction is met or expires, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. All grants with government agencies are reported as without donor restrictions when the Organization satisfies any conditions.

Contracts with Customers

A portion of the Organization's revenues results from the sale of goods and services under contracts with customers. Revenue under contracts with customers is recognized when the customer obtains control of the good or service and is recognized to depict the transfer of promised goods or services in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services.

A performance obligation is a distinct good, service or a bundle of goods and services promised in a contract. The Organization identifies performance obligations at the inception of a contract and allocates the transaction price to individual performance obligations to appropriately depict the Organization's performance in transferring control of the promised goods or services to the customer. Contracts with customers do not include a significant financing component.

Service fees: Service fees revenue consist of revenues relating to the Organization's therapies and behavior clinic services. The performance obligation is to perform the indicated services for the customers under the contract. Revenues are recognized at a point in time as services are provided to the customer, which are then billed by the Organization to the customer or third party payor. Service fees revenue consist of contracts with individual patients and their caregivers that are mostly insured by Medicaid/Medicaid HMO. The other contracts within service fees are for commercially insured individuals and private pay individuals. The Organization reviewed contracts using a portfolio approach for individual patients due to similarities in contracts.

The Organization records service fees revenue from these contracts at an amount that reflects the consideration which it expects to be entitled to receive in exchange for the services provided. The transaction prices are generally listed in the contracts or individual client agreements. The Organization determines the net transaction price based on contractual adjustments under terms of third-party reimbursement agreements, a review of patient balances and the likelihood of payment based on historical experience as well as specific patient circumstances. The stated and implied discounts for service fees revenue is approximately 37.8% and 36.6% in 2020 and 2019, respectively, from the stated gross charges. Revenue recognized from service fees was \$385,077 and \$717,420 in 2020 and 2019, respectively.

Child Care: The Organization provides child care services and the related revenue for these services is included in service fees and child care on the consolidated statements of activities. The Organization and parents have agreements determining the service to be provided and fee. The parents make payments monthly in the form of cash or government voucher subsidies. The services are provided over time as children are cared for each day. Revenue is recognized as the services are provided. Revenue recognized from child care was \$755,338 and \$1,000,046 in 2020 and 2019, respectively.

There are no expressed or implied warranties. There is no revenue recognized for services performed in prior periods. There are no contract assets or liabilities with these revenue sources.

Service fees and child care presented on the consolidated statements of activities also includes public support from other grants. These grants are recognized when the conditions on which they depend have been met. Revenue recognized from other grants within service fees and child care are \$705,993 and \$659,584 in 2020 and 2019, respectively.

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2020 and 2019

Income Taxes

Penfield, Friends and PMA are exempt organizations for income tax purposes under Section 501(c)(3) of the Internal Revenue Code. VMMS Building Corp. is an exempt organization for income tax purposes under Section 501(c)(2) of the Internal Revenue Code. PMA Building, LLC and PCC Building, LLC are both single member LLC entities and considered disregarded entities and therefore take on the 501(c)(3) status of their sole member, Penfield. The Organization is generally exempt from federal and state income taxes.

The Organization files information returns in the U.S. Federal jurisdiction and the State of Wisconsin. None of the Organization's filed information returns are currently under examination by the Internal Revenue Service or the State of Wisconsin. The U.S. Federal information returns for 2016 and prior have passed the statute of limitations for audit by the Internal Revenue Service. The State of Wisconsin information returns for 2015 and prior have passed the statute of limitations for audit.

Accounting for Uncertainty in Income Taxes

The Organization follows current accounting guidance, which clarifies the accounting for uncertainty in income taxes recognized in the Organization's consolidated financial statements. The codification prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The codification also provides guidance on derecognition and measurement of a tax position taken or expected to be taken in a tax return.

The Organization did not have unrecognized tax benefits as of December 31, 2020 and 2019 and does not expect this to change significantly over the next 12 months. The Organization will recognize interest and penalties, if any, associated with the Organization's tax positions as a component of unrelated business income tax expense on the consolidated statements of activities. As of December 31, 2020 and 2019, the Organization has not accrued tax, interest or penalties related to uncertain tax positions.

The Organization paid \$2,489 and \$20,456 for unrelated business income tax for employee parking benefits in 2020 and 2019, respectively. The tax law was amended later in 2019 and the Organization amended the return to receive a refund. The Organization had income tax expense \$8,210 and \$0 in 2020 and 2019, respectively, which includes \$5,721 in expense to write off 2018 and 2019 refunds expected for State of Wisconsin unrelated business income which were determined to be nonrefundable.

Grant Funds Received in Advance

Grant funds received in advance at December 31, 2020 and 2019 consists of cash received from state aid in advance of the upcoming semester at PMA.

Volunteer Services

Donated services are reported as contributions when the services (a) create or enhance non-financial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills and are provided by individuals possessing those skills. During 2020 and 2019, the Organization benefited from 2,455 and 7,813 volunteer hours, respectively, that do not meet the requirements for recognition in the consolidated financial statements.

Donated Materials

The Organization receives donated materials, which are primarily used for fundraising events or distributed to people in need of those materials. It is not the Organization's policy to record and value immaterial items which are distributed. Items donated and used by the Organization are recorded at their estimated fair value.

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2020 and 2019

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs, management and general, and development and fundraising. Expenses related to more than one function are charged to programs, management and general, and development and fundraising on the basis of full time equivalents, square footage, number of meals served and clinical records. Information technology and services expenses are allocated based on supported full time equivalents. Facility operation expenses are allocated based on square footage utilization. Kitchen staff and supplies are allocated based on meals served. Clinical records expenses are allocated based on number of documents administered per year. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Estimates

The preparation of the consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Liquidity and Availability of Resources

The following reflects the Organization's financial assets, reduced by amounts not available within one year for general use because of contractual or donor-imposed restrictions. Amounts not available include receivables collectible beyond one year and amounts set aside for long-term investing at Friends.

	<u>2020</u>	<u>2019</u>
Total assets, at year-end	\$ 17,824,085	\$ 15,516,927
Less non-financial assets:		
Property and equipment, net	(4,426,651)	(4,533,954)
Prepaid expenses	<u>(159,744)</u>	<u>(61,168)</u>
Financial assets, at year-end	13,237,690	10,921,805
Less those unavailable for general expenditures within one year, due to:		
Restricted by donor with purpose restrictions	(3,733,030)	(1,671,969)
Contributions and pledges receivable subject to appropriation and satisfaction of donor's restriction	(276,192)	(1,791,968)
Contributions and pledges receivable collectible beyond one year without a purpose restriction	(75,000)	(116,375)
Long-term investments	<u>(5,563,824)</u>	<u>(4,739,052)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,589,644</u>	<u>\$ 2,602,441</u>

The Organization's practice is to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization has secured all major contracts through 2021 including the Charter School contract which the amount is dependent on the number of students enrolled; Milwaukee County Department of Human Services for \$1,382,394; and year five of the SAMHSA five year grant for \$312,529. In addition, the Organization has a \$500,000 line of credit available to be used, if needed.

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2020 and 2019

Recent Accounting Pronouncements

During September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (ASU No. 2020-07). ASU No. 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. The standard will be required to be applied retrospectively for annual periods beginning after June 15, 2021 (2022). The Organization is currently assessing the effect that ASU No. 2020-07 will have on its consolidated financial statements.

In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)* (ASU No. 2016-02), that amends the treatment for leases. The new accounting model for leases capitalizes all leases greater than twelve months, both capital and operating, as assets and liabilities on the consolidated statement of financial position. Not-for-profit entities will be required to apply the standard for annual periods beginning after December 15, 2021 (2022). Early adoption is permitted. The Organization is currently assessing the effect that ASU No. 2016-02 will have on its consolidated financial statements.

Subsequent Events

Management has evaluated subsequent events through July 7, 2021, the date which the consolidated financial statements were approved and available to be issued.

2. Cash and Credit Risk

The Organization uses financial institutions in which they maintain cash balances that, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts.

3. Investments

The Organization invests in equity securities and mutual funds which are reported at their aggregate fair value.

As of December 31, 2020 and 2019, all investments are classified as Level 1 investments, for which fair value is measured based on quoted prices in active markets for identical assets. The fair value of investment securities by major security type and class of security as of December 31 is as follows:

	<u>2020</u>	<u>2019</u>
Classification Type:		
Bond Funds	\$ 1,576,388	\$ 1,410,022
Equity Funds	<u>3,987,436</u>	<u>3,329,030</u>
Total	<u>\$ 5,563,824</u>	<u>\$ 4,739,052</u>

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2020 and 2019

4. Contributions and Pledges Receivable

Contributions and pledges receivable are expected to be realized in the following periods:

	<u>2020</u>	<u>2019</u>
Less than one year	\$ 665,578	\$ 1,945,904
One to five years	276,000	365,625
Subtotal	941,578	2,311,529
Less discount for present value	(14,155)	(14,155)
Total	<u>\$ 927,423</u>	<u>\$ 2,297,374</u>

5. Property and Equipment, and Depreciation

Depreciation and amortization is calculated on the straight-line method using the following useful lives:

Buildings and improvements	31-33 years
Parking lot and land improvements	10-20 years
Equipment, software and vehicles	4-10 years

Property and equipment are summarized as follows:

	<u>2020</u>	<u>2019</u>
Land	\$ 344,324	\$ 344,324
Building and improvements	7,734,597	7,512,326
Parking lot and land improvements	1,234,850	754,986
Office equipment	807,011	772,707
Software	354,863	354,863
Vehicles	112,553	112,553
Other	40,000	-
Construction in progress	-	626,089
Subtotal	10,628,198	10,477,848
Less accumulated depreciation	(6,201,547)	(5,943,894)
Total	<u>\$ 4,426,651</u>	<u>\$ 4,533,954</u>

Construction in progress at December 31, 2019 consisted of the construction of a new parking lot and playground. Depreciation and amortization expense were \$257,653 in 2020 and \$369,540 in 2019.

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2020 and 2019

6. Net Assets With Donor Restrictions

At December 31, net assets with donor restrictions consisted of:

	<u>2020</u>	<u>2019</u>
Investment earnings on endowment	\$ 101,061	\$ 43,629
Purpose and time restricted contributions	4,683,600	4,140,416
Endowment Fund, principal to be invested in perpetuity, income to be used for general operating purposes	<u>816,100</u>	<u>795,600</u>
Total	<u>\$ 5,600,761</u>	<u>\$ 4,979,645</u>

7. Endowments

The Organization's endowment fund consists of a general donor endowment. General endowment funds have been received from a donor for endowment purposes and the earnings may or may not be restricted for a specific purpose.

The Board of Directors understands that the Uniform Prudent Management of Institutional Funds Act (UPMIFA) is the applicable state law governing their endowment funds. UPMIFA laws have been interpreted by the Board of Directors as allowing the appropriation for expenditure for the purposes for which an endowment is established as the net appreciation, realized and unrealized, in the fair value of an endowment fund over the historic dollar value of the fund as is prudent under ordinary business care considering the facts and circumstances prevailing at the time the action is taken.

The investment policy has been established by the Organization for endowment assets that attempts to provide a predictable stream of funding to the programs supported by its endowment while seeking to preserve the purchasing power of the endowment assets. The purpose of the Organization's investment policy, as approved by the Board of Directors, is to provide guidelines for investment and performance of investments, of endowment funds that protect principal, grow the aggregate portfolio value in excess of the inflation rate, reach an effective annual rate of return that is equal to or greater than the designated benchmarks for the various types of investment vehicles, and to ensure that any risk assumed is in line with the given investment vehicle and the Organization's objectives.

The endowment assets are governed by a spending policy that seeks to distribute a specific payout rate from the endowment base to support the programs. Income from the fund will not be available for payout until the first day of the calendar quarter after the fund reaches a market value documented in each fund agreement. The endowment base is defined as the rolling average of market value for the most recent 20 quarters. The payout rate is 5 percent of the endowment base annually. The payout will not reduce the endowment principal below its original contributed value.

Endowment net asset composition by type of fund consists of the following at December 31:

	<u>2020</u>		
	<u>Original Gift</u>	<u>Accumulated Gain (Losses)</u>	<u>Total Endowment</u>
Donor restricted	<u>\$ 806,100</u>	<u>\$ 101,061</u>	<u>\$ 907,161</u>

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2020 and 2019

	2019			Total Endowment
	Accumulated Gain		Total	
	Original Gift	(Losses)		
Donor restricted	\$ 757,775	\$ 43,629	\$ 801,404	\$ 801,404

Changes in endowment net assets for the years ended December 31, are as follows:

	With Donor Restrictions			Total Endowment
	Original Gift	Accumulated Gain (Losses)	Total	
Endowment net assets, as of January 1, 2019	\$ 150,000	\$ 4,077	\$ 154,077	\$ 154,077
Contributions	607,775	-	607,775	607,775
Investment income, net of fees	-	39,552	39,552	39,552
Endowment net assets, as of December 31, 2019	<u>\$ 757,775</u>	<u>\$ 43,629</u>	<u>\$ 801,404</u>	<u>\$ 801,404</u>
Endowment net assets, as of January 1, 2020	\$ 757,775	\$ 43,629	\$ 801,404	\$ 801,404
Contributions	48,325	-	48,325	48,325
Investment income, net of fees	-	57,432	57,432	57,432
Endowment net assets, as of December 31, 2020	<u>\$ 806,100</u>	<u>\$ 101,061</u>	<u>\$ 907,161</u>	<u>\$ 907,161</u>

In addition, the endowment consists of a pledges receivable of \$10,000 and \$37,825 at December 31, 2020 and 2019, respectively.

8. Paycheck Protection Program

In April 2020, Penfield and PMA received proceeds in the amount of \$980,700 and \$296,200, respectively, under the Paycheck Protection Program (PPP) which was established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act and is administered through the Small Business Administration (SBA). The PPP provides loans to qualifying non-profit organizations in amounts up to 2.5 times their average monthly payroll expenses and was designed to provide a direct financial incentive for qualifying non-profit organizations to keep their workforce employed during the Coronavirus crisis. PPP loans are uncollateralized and guaranteed by the SBA. Advances from the PPP are forgivable after a "covered period" (eight or twenty-four weeks) as long as the borrower maintains its payroll levels and uses the proceeds for eligible expenses, including payroll, benefits, mortgage interest, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries and wages more than 25% during the covered period. Penfield and PMA initially recorded the funds as a refundable advance and will record the forgiveness in accordance with guidance for conditional contributions when there is no longer a measurable performance or other barrier and a right of return of the PPP loan, or when such conditions are explicitly waived.

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2020 and 2019

As of December 31, 2020, Penfield and PMA had expended all of the PPP funds received on qualified expenses and believes that it met all of the conditions attached to the PPP, therefore, the Organization has recorded grant revenue of \$1,276,900 within its consolidated statements of activities for the year-end December 31, 2020.

In January 2021, Penfield and PMA received notice from the SBA that it has forgiven all of the PPP proceeds received by Penfield and PMA. The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan was forgiven or repaid in full and to provide that documentation to the SBA upon request. The Organization does not believe the results of any audits or reviews by the SBA would have a material impact on the consolidated financial statements.

9. Lease Commitments

The Organization leases certain office equipment and parking lot space under operating lease agreements with various expiration dates through 2023. Lease expenses for the years ended December 31, 2020 and 2019 were \$15,444 and \$14,002, respectively.

A summary of the future minimum lease payments required under the non-cancelable operating leases is as follows:

Years ending December 31:		
2021	\$	4,774
2022		1,686
2023		<u>843</u>
Total	\$	<u><u>7,303</u></u>

10. Concentration of Risk

The Organization receives grants from various government agencies whose programs rely on the availability of funding from the United States government. Approximately 12% of the Organization's total public support and revenue is from school grants for 2020 and 2019. The Milwaukee County contract accounts for 16% of total public support and revenue for 2020 and 2019.

Three donors account for 49% and two donors account for 57% of the Organization's total outstanding contributions and pledges receivable at December 31, 2020 and 2019, respectively. In 2020 and 2019, the aforementioned donors accounted for 12% and 1% of total public support and revenue, respectively.

11. Units of Service

Milwaukee County contracted to purchase 100,000 and 123,600 units of service from the Organization under the Work and Day - Children's Services program contract for 2020 and 2019, respectively. The Organization provided 95,001 and 109,431 units of service for clients in 2020 and 2019, respectively.

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2020 and 2019

12. Donated Services, Materials and Equipment

The value of donated services, materials and equipment included as contributions in the consolidated financial statements and the corresponding expenses for the years ended December 31, are as follows:

	<u>2020</u>	<u>2019</u>
Advertising	\$ 59,560	\$ 58,456
Fundraising events - supplies	43,812	70,855
Child care and technology - supplies	20,487	5,728
Consulting services	8,925	-
Total	<u>\$ 132,784</u>	<u>\$ 135,039</u>

Items donated and sold at the Pink Tower and Croquet Ball Auctions are recorded at their realized value of \$43,812 and \$70,855 for 2020 and 2019, respectively, and included in contribution revenue on the consolidated statements of activities.

13. Employee Retirement Plan

The Organization has a 403(b) employee retirement plan for eligible employees. The Organization matches employee contributions up to 3 percent of the employee's gross wages. The Organization contributed \$110,647 and \$110,510 to the plan during 2020 and 2019, respectively.

14. Notes Payable

In June 2016, the Organization entered into a demand line of credit agreement with a financial institution. The line of credit has a limit of \$500,000. The line is secured by all business assets. The interest rate on the line is Wall Street Journal Prime Rate plus 0.05 percent. The line does not have an expiration date, however, the financial institution can notify the Organization to pay any outstanding balance within ninety days and terminate the line. The line has an outstanding balance of \$0 at December 31, 2020 and 2019.

In 2019, a line of credit for construction for a parking lot was taken out by PCC Building, LLC with a financial institution. The line of credit was converted to an unsecured note payable on July 26, 2019. The note payable had an outstanding balance of \$418,795 and \$366,335 at December 31, 2020 and 2019, respectively. Interest expense was \$12,663 and \$360 in 2020 and 2019, respectively. The parking lot was placed into service in 2020. Monthly interest payments are due with an interest rate of LIBOR plus 1.25 percent for the first 12 months of the note. Beginning August 1, 2020, the interest rate changed to a fixed 3.95 percent for the remainder of the note, principal and interest is payable in 59 monthly installments of \$3,292 with a final payment equal to all unpaid principal and accrued interest due July 1, 2025. Future principal payments on the note payable for the years ending after December 31, 2020 are as follows:

Years ending December 31:	
2021	\$ 21,215
2022	24,017
2023	24,997
2024	25,978
2025 and thereafter	<u>322,588</u>
Total	<u>\$ 418,795</u>

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2020 and 2019

15. Commitments and Contingencies

Financial awards from federal, state and local governments in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this time.

Penfield Children's Center, Inc. and Affiliates

Consolidating Statement of Financial Position

December 31, 2020 (with summarized totals as of December 31, 2019)

	Penfield Children's Center	Friends	VMMS	Penfield Montessori Academy	PMA Building, LLC	PCC Building, LLC	Elimination Entries	2020 Consolidated	2019 Consolidated
Assets									
Cash and cash equivalents	\$ 2,813,260	\$ 2,508,054	\$ 215,396	\$ 466,211	\$ -	\$ 45,259	\$ -	\$ 6,048,180	\$ 3,304,225
Investments	-	5,563,824	-	-	-	-	-	5,563,824	4,739,052
Accounts receivable, net	135,850	-	-	3,196	-	165	(165)	139,046	180,898
Grants receivable	407,776	-	-	151,441	-	-	-	559,217	400,256
Contributions and pledges receivable, net	434,056	420,267	-	73,100	-	-	-	927,423	2,297,374
Prepaid expenses	151,074	-	-	8,670	-	-	-	159,744	61,168
Beneficial interest	-	-	-	2,239,893	-	-	(2,239,893)	-	-
Due from/(to) intercompany	(539,086)	577,295	(112)	(24,820)	(12,726)	(551)	-	-	-
Property and equipment, net	253,939	-	1,622,149	33,875	1,933,986	582,702	-	4,426,651	4,533,954
Total assets	<u>\$ 3,656,869</u>	<u>\$ 9,069,440</u>	<u>\$ 1,837,433</u>	<u>\$ 2,951,566</u>	<u>\$ 1,921,260</u>	<u>\$ 627,575</u>	<u>\$ (2,240,058)</u>	<u>\$ 17,824,085</u>	<u>\$ 15,516,927</u>
Liabilities and Net Assets									
Liabilities									
Accounts payable and accrued expenses	\$ 390,781	\$ 165	\$ -	\$ 139,462	\$ -	\$ -	\$ (165)	\$ 530,243	\$ 522,034
Grant funds received in advance	-	-	-	95,316	-	-	-	95,316	86,735
Notes payable	-	-	-	-	-	418,795	-	418,795	366,335
Total liabilities	<u>390,781</u>	<u>165</u>	<u>-</u>	<u>234,778</u>	<u>-</u>	<u>418,795</u>	<u>(165)</u>	<u>1,044,354</u>	<u>975,104</u>
Net Assets									
Without donor restrictions	1,635,637	5,531,065	1,837,433	44,795	1,921,260	208,780	-	11,178,970	9,562,178
With donor restrictions	1,630,451	3,538,210	-	2,671,993	-	-	(2,239,893)	5,600,761	4,979,645
Total net assets	<u>3,266,088</u>	<u>9,069,275</u>	<u>1,837,433</u>	<u>2,716,788</u>	<u>1,921,260</u>	<u>208,780</u>	<u>(2,239,893)</u>	<u>16,779,731</u>	<u>14,541,823</u>
Total liabilities and net assets	<u>\$ 3,656,869</u>	<u>\$ 9,069,440</u>	<u>\$ 1,837,433</u>	<u>\$ 2,951,566</u>	<u>\$ 1,921,260</u>	<u>\$ 627,575</u>	<u>\$ (2,240,058)</u>	<u>\$ 17,824,085</u>	<u>\$ 15,516,927</u>

Penfield Children's Center, Inc. and Affiliates

Consolidating Statement of Activities

Year Ended December 31, 2020 (with summarized totals for the year ended December 31, 2019)

	Penfield Children's Center	Friends	VMMS	Penfield Montessori Academy	PMA Building, LLC	PCC Building, LLC	Elimination Entries	2020 Consolidated	2019 Consolidated
Changes in Net Assets Without Donor Restrictions									
Public support and revenues									
Milwaukee County Department of Human Services	\$ 1,755,995	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,755,995	\$ 1,622,712
U.S.D.A. food program	35,695	-	-	44,189	-	-	-	79,884	136,712
United Way of Greater Milwaukee, Inc.	77,314	-	-	(1,630)	-	-	-	75,684	122,228
Service fees and child care	1,762,181	-	-	84,227	-	-	-	1,846,408	2,377,050
Contributions and other grants	903,676	299,751	-	629,277	-	-	(96,333)	1,736,371	797,617
School grants	-	-	-	1,316,562	-	-	-	1,316,562	1,207,584
In-kind contributions	88,972	43,812	-	-	-	-	-	132,784	135,039
Fundraising events	-	456,037	-	-	-	-	-	456,037	445,605
Cost of direct benefit to donors	-	-	-	-	-	-	-	-	(37,800)
Rental income	-	-	170,000	-	96,333	-	(266,333)	-	-
Contributions from affiliates	40,000	-	-	-	-	50,000	(90,000)	-	-
Friends foundation support	330,933	-	-	-	-	-	(330,933)	-	-
Investment return, net	1,958	477,194	319	-	-	48	-	479,519	879,227
Other income	141,529	-	-	4,622	-	-	(92,964)	53,187	172,337
Total	5,138,253	1,276,794	170,319	2,077,247	96,333	50,048	(876,563)	7,932,431	7,858,311
Net assets released from restrictions	1,803,820	656,072	-	221,000	-	-	(200,000)	2,480,892	2,561,471
Total public support and revenues	6,942,073	1,932,866	170,319	2,298,247	96,333	50,048	(1,076,563)	10,413,323	10,419,782
Expenses									
Program services	5,102,472	-	147,890	2,379,507	67,381	59,377	(359,297)	7,397,330	8,349,009
Management and general	1,070,865	-	-	9,728	-	-	-	1,080,593	1,184,541
Development and fundraising	268,805	249,803	-	-	-	-	(200,000)	318,608	415,315
Contribution expense	-	-	90,000	-	96,333	-	(186,333)	-	-
Support and development reimbursement	-	330,933	-	-	-	-	(330,933)	-	-
Total expenses	6,442,142	580,736	237,890	2,389,235	163,714	59,377	(1,076,563)	8,796,531	9,948,865
Change in net assets without donor restrictions	499,931	1,352,130	(67,571)	(90,988)	(67,381)	(9,329)	-	1,616,792	470,917
Changes in Net Assets With Donor Restrictions									
Contributions and other grants	1,767,478	508,182	-	384,100	-	-	-	2,659,760	1,371,628
Change in beneficial interest	-	-	-	145,204	-	-	(145,204)	-	-
Investment return, net	-	57,432	-	-	-	-	-	57,432	39,552
United Way of Greater Milwaukee, Inc.	384,816	-	-	-	-	-	-	384,816	434,265
Net assets released from restrictions	(1,803,820)	(656,072)	-	(221,000)	-	-	200,000	(2,480,892)	(2,561,471)
Changes in net assets with donor restrictions	348,474	(90,458)	-	308,304	-	-	54,796	621,116	(716,026)
Change in net assets	848,405	1,261,672	(67,571)	217,316	(67,381)	(9,329)	54,796	2,237,908	(245,109)
Net Assets, Beginning	2,417,683	7,807,603	1,905,004	2,499,472	1,988,641	218,109	(2,294,689)	14,541,823	14,786,932
Net Assets, Ending	\$ 3,266,088	\$ 9,069,275	\$ 1,837,433	\$ 2,716,788	\$ 1,921,260	\$ 208,780	\$ (2,239,893)	\$ 16,779,731	\$ 14,541,823