

Form **990****Return of Organization Exempt From Income Tax**

OMB No. 1545-0047

2021

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter social security numbers on this form as it may be made public.

Go to www.irs.gov/Form990 for instructions and the latest information.**A** For the 2021 calendar year, or tax year beginning

and ending

B Check if applicable:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return/terminated
☐ Amended return
☐ Application pending

C Name of organization

PENFIELD CHILDREN'S CENTER INC

Doing business as

Number and street (or P.O. box if mail is not delivered to street address) Room/suite

833 NORTH 26TH STREET

City or town, state or province, country, and ZIP or foreign postal code

MILWAUKEE, WI 53233-1507

F Name and address of principal officer: CHRISTINE HOLMES

SAME AS C ABOVE

D Employer identification number

39-1093701

E Telephone number

414-344-7676

G Gross receipts \$

8,793,397.

H(a) Is this a group returnfor subordinates? ☐ Yes ☒ No**H(b)** Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list. See instructions

H(c) Group exemption number**I** Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) () (insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: WWW.PENFIELDCHILDREN.ORG**K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other**L** Year of formation: 1968**M** State of legal domicile: WI**Part I Summary**

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: THE ORGANIZATION'S SOLE PURPOSE IS TO HELP INFANTS AND YOUNG CHILDREN WITH ALL ABILITIES REACH THEIR		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	38
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	38
	5	Total number of individuals employed in calendar year 2021 (Part V, line 2a)	5	112
	6	Total number of volunteers (estimate if necessary)	6	155
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
7b	Net unrelated business taxable income from Form 990-T, Part I, line 11	7b	0.	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	5,730,529.	6,953,218.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,138,155.	1,837,536.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,958.	2,643.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	6,870,642.	8,793,397.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	5,047,187.	5,190,015.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	16b	Total fundraising expenses (Part IX, column (D), line 25)	0.	0.
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	975,050.	894,081.	
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	6,022,237.	6,084,096.	
19	Revenue less expenses. Subtract line 18 from line 12	848,405.	2,709,301.	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	4,195,955.	6,491,693.
	22	Net assets or fund balances. Subtract line 21 from line 20	929,867.	516,304.
			3,266,088.	5,975,389.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature of officer: Christine P. Holmes Date: 12.1.2022

Type or print name and title: **CHRISTINE HOLMES, CEO AND PRESIDENT**

Paid Preparer Use Only

Print/Type preparer's name: **TROY MARINE, CPA** Preparer's signature: **TROY MARINE, CPA** Date: **11/15/22** Check if self-employed: ☐ PTIN: **P00187863**

Firm's name: **BAKER TILLY US, LLP** Firm's EIN: **39-0859910**

Firm's address: **777 E WISCONSIN AVENUE, 32ND FLOOR MILWAUKEE, WI 53202** Phone no.: **414.777.5500**

May the IRS discuss this return with the preparer shown above? See instructions

☒ Yes ☐ No

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☐**1** Briefly describe the organization's mission:

THE ORGANIZATION'S SOLE PURPOSE IS TO HELP INFANTS AND YOUNG CHILDREN WITH ALL ABILITIES REACH THEIR FULL POTENTIAL THROUGH EDUCATION, THERAPY SERVICES AND FAMILY PROGRAMS.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.**4a** (Code:) (Expenses \$ 1,652,254. including grants of \$) (Revenue \$)**BIRTH TO THREE PROGRAM:**

940 CHILDREN RECEIVED BIRTH-TO-3 EARLY INTERVENTION SERVICES FOR CHILDREN WITH DEVELOPMENTAL DISABILITIES OR DELAYS. 47 CHILDREN SPECIALIZED NURSING SERVICES, TOTALING 780 NURSE CONTRACTS. 602 CHILDREN RECEIVED THERAPY SERVICES. REVENUE FOR THE BIRTH TO THREE PROGRAM IS BROKEN DOWN AS FOLLOWS ON THE PART VIII STATEMENT OF REVENUE: \$1,666,695 LINE 1E GOVERNMENT GRANTS AND \$0 LINE 2 PROGRAM SERVICE REVENUE.

4b (Code:) (Expenses \$ 3,568,270. including grants of \$) (Revenue \$ 1,837,536.)**ALL OTHER PROGRAMS:**

227 CHILDREN UNDER SIX YEARS OF AGE WERE SERVED BY THE BEHAVIORAL CLINIC FOR AGGRESSION, SERIOUS TANTRUMS, OPPOSITIONAL BEHAVIOR, PROPERTY DESTRUCTION, HYPERACTIVITY, SELF-INJURY, SEPARATION ANXIETY AND CHILDREN WHO HAVE EXPERIENCED TRAUMA. APPROXIMATELY 34 CHILDREN AGES THREE YEARS TO FOURTEEN YEARS RECEIVED SERVICES IN PENFIELD'S OUTPATIENT CLINIC. 87 CHILDREN AGES FOUR WEEKS TO NINE YEARS WERE ENROLLED IN PENFIELD'S CHILD CARE PROGRAM. ROUGHLY 400 CHILDREN PARTICIPATED IN PENFIELD'S FAMILY PROGRAMS. REVENUE FOR OTHER PROGRAMS IS BROKEN DOWN AS FOLLOWS ON THE PART VIII STATEMENT OF REVENUE: \$0 LINE 1E GOVERNMENT GRANTS AND \$1,837,536 LINE 2 PROGRAM SERVICE REVENUE.

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)**4d** Other program services (Describe on Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses **5,220,524.**

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors? See instructions	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Rev. Proc. 98-19? If "Yes," complete Schedule C, Part III		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		X
10 Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? If "Yes," complete Schedule D, Part V		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X, as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	X	
b Did the organization report an amount for investments - other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII		X
c Did the organization report an amount for investments - program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII		X
d Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX		X
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional	X	
13 Is the organization a school described in section 170(b)(1)(A)(iii)? If "Yes," complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I. See instructions		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		X
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24b		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24c		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
24d		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		X
25b		
26 Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part II		X
26		
27 Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? If "Yes," complete Schedule L, Part III		X
27		
28 Was the organization a party to a business transaction with one of the following parties (see the Schedule L, Part IV, instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? If "Yes," complete Schedule L, Part IV		X
28a		
b A family member of any individual described in line 28a? If "Yes," complete Schedule L, Part IV		X
28b		
c A 35% controlled entity of one or more individuals and/or organizations described in line 28a or 28b? If "Yes," complete Schedule L, Part IV	X	
28c		
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
29		
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
30		
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
31		
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
32		
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I	X	
33		
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1	X	
34		
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	X	
35a		
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	X	
35b		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	X	
36		
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X
37		
38 Did the organization complete Schedule O and provide explanations on Schedule O for Part VI, lines 11b and 19?	X	
38		

Note: All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

	Yes	No
1a Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable		
1a	13	
b Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable		
1b	0	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
1c		

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

		Yes	No
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 112		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file. See instructions.	2b	X	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a		X
b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O	3b		
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X
b If "Yes," enter the name of the foreign country See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a		X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7 Organizations that may receive deductible contributions under section 170(c).			
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a		X
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8		
9 Sponsoring organizations maintaining donor advised funds.			
a Did the sponsoring organization make any taxable distributions under section 4966?	9a		
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b		
10 Section 501(c)(7) organizations. Enter:			
a Initiation fees and capital contributions included on Part VIII, line 12	10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11 Section 501(c)(12) organizations. Enter:			
a Gross income from members or shareholders	11a		
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a Is the organization licensed to issue qualified health plans in more than one state? Note: See the instructions for additional information the organization must report on Schedule O.	13a		
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b		
c Enter the amount of reserves on hand	13c		
14a Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation on Schedule O	14b		
15 Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see the instructions and file Form 4720, Schedule N.	15		X
16 Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.	16		X
17 Section 501(c)(21) organizations. Did the trust, any disqualified person, or mine operator engage in any activities that would result in the imposition of an excise tax under section 4951, 4952 or 4953? If "Yes," complete Form 6069.	17		

Part VI Governance, Management, and Disclosure. For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI ☒

Section A. Governing Body and Management

	1a	1b	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year	38			
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.				
b Enter the number of voting members included on line 1a, above, who are independent		38		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?			2	X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?			3	X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?			4	X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?			5	X
6 Did the organization have members or stockholders?			6	X
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?			7a	X
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?			7b	X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a The governing body?			8a	X
b Each committee with authority to act on behalf of the governing body?			8b	X
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O			9	X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Did the organization have local chapters, branches, or affiliates?		X
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
10b		
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
b Describe on Schedule O the process, if any, used by the organization to review this Form 990.		
11b		
12a Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12b		
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe on Schedule O how this was done	X	
12c		
13 Did the organization have a written whistleblower policy?	X	
14 Did the organization have a written document retention and destruction policy?	X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	X	
15a		
b Other officers or key employees of the organization	X	
15b		
If "Yes" to line 15a or 15b, describe the process on Schedule O. See instructions.		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
16a		
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		
16b		

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed **WI**
- 18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☒ Own website ☐ Another's website ☒ Upon request ☐ Other (explain on Schedule O)
- 19 Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20 State the name, address, and telephone number of the person who possesses the organization's books and records **CHRISTINE HOLMES - 414-344-7676**
833 NORTH 26TH STREET, MILWAUKEE, WI 53233-1507

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

 Check if Schedule O contains a response or note to any line in this Part VII ☐
Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See the instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

See the instructions for the order in which to list the persons above.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) CHRISTINE HOLMES PRESIDENT	36.00			X				172,434.	0.	8,277.
(2) JASON PARRY VP DEVELOPMENT/COMMUNICATI	1.00			X				109,416.	0.	18,342.
(3) ANN BECKER VP PROGRAMS	40.00			X				112,764.	0.	7,041.
(4) PATTI DEW CFO/VP ADMINISTRATION	40.00			X				64,348.	0.	524.
(5) ALVARO ARAQUE CHAIRMAN	1.00	X	X					0.	0.	0.
(6) KEITH BAISDEN VICE CHAIRMAN	0.10	X	X					0.	0.	0.
(7) JEFFREY BARTH TREASURER	0.10	X	X					0.	0.	0.
(8) DIANE RODGERS SECRETARY	0.20	X	X					0.	0.	0.
(9) KAREEDA CHONES AGUAM DIRECTOR	0.20	X						0.	0.	0.
(10) MICHAEL BROPHY DIRECTOR	1.00	X						0.	0.	0.
(11) DIRK CARSON DIRECTOR	0.20	X						0.	0.	0.
(12) ERICKAJAY DANIELS DIRECTOR	0.20	X						0.	0.	0.
(13) SHERRY HUSA DIRECTOR	0.20	X						0.	0.	0.
(14) PETER DUBACK DIRECTOR	0.20	X						0.	0.	0.
(15) PATRICK FENNELLY DIRECTOR	0.20	X						0.	0.	0.
(16) VIKTOR GOTTLIEB DIRECTOR	0.20	X						0.	0.	0.
(17) GAVIN HATTERSLEY DIRECTOR	0.20	X						0.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) STEVE KEANE DIRECTOR	0.20	X						0.	0.	0.
(19) PHYLLIS KING, PHD DIRECTOR	0.20	X						0.	0.	0.
(20) JENNIFER LA MACCHIA DIRECTOR	0.20	X						0.	0.	0.
(21) JEN MANCE DIRECTOR	0.20	X						0.	0.	0.
(22) ROBERT MIKULAY DIRECTOR	1.00 0.10	X						0.	0.	0.
(23) DAVID NAVARRE DIRECTOR	0.20	X						0.	0.	0.
(24) ANTHONY NGUYEN DIRECTOR	0.20	X						0.	0.	0.
(25) GREGORY PIKE DIRECTOR	0.20	X						0.	0.	0.
(26) JO ANN RATCHESON DIRECTOR	0.20 0.10	X						0.	0.	0.
1b Subtotal								458,962.	0.	34,184.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								458,962.	0.	34,184.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **3**

- 3 Did the organization list any **former** officer, director, trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual
- 4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual
- 5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person

	Yes	No
3		X
4	X	
5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
NONE		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

SEE PART VII, SECTION A CONTINUATION SHEETS

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns	1a	484,024.			
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	863,147.			
	e	Government grants (contributions)	1e	1,724,386.			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	3,881,661.			
	g	Noncash contributions included in lines 1a-1f	1g	\$			
	h	Total. Add lines 1a-1f		6,953,218.			
Program Service Revenue	2 a	PROGRAM SERVICE REVENUE	Business Code	624100	1,837,536.	1,837,536.	
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		1,837,536.			
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		2,643.		
4		Income from investment of tax-exempt bond proceeds					
5		Royalties					
6 a		Gross rents	(i) Real				
b		Less: rental expenses	(ii) Personal				
c		Rental income or (loss)					
d		Net rental income or (loss)					
7 a		Gross amount from sales of assets other than inventory	(i) Securities				
b		Less: cost or other basis and sales expenses	(ii) Other				
c		Gain or (loss)					
d		Net gain or (loss)					
8 a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18					
b		Less: direct expenses					
c		Net income or (loss) from fundraising events					
9 a	Gross income from gaming activities. See Part IV, line 19						
b	Less: direct expenses						
c	Net income or (loss) from gaming activities						
10 a	Gross sales of inventory, less returns and allowances						
b	Less: cost of goods sold						
c	Net income or (loss) from sales of inventory						
Miscellaneous Revenue	11 a		Business Code				
	b						
	c						
	d	All other revenue					
	e	Total. Add lines 11a-11d					
	12	Total revenue. See instructions		8,793,397.	1,837,536.	0.	2,643.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	493,146.	493,146.		
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	3,664,933.	2,888,091.	776,842.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	703,324.	588,803.	114,521.	
10 Payroll taxes	328,612.	281,897.	46,715.	
11 Fees for services (nonemployees):				
a Management	317,043.	27,698.	289,345.	
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Sch O.)				
12 Advertising and promotion	64,288.	58,752.	5,536.	
13 Office expenses	289,105.	231,705.	57,400.	
14 Information technology				
15 Royalties				
16 Occupancy	-1,177.	48,815.	-49,992.	
17 Travel	88,756.	84,915.	3,841.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	21,515.	15,253.	6,262.	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	156,676.	115,983.	40,693.	
23 Insurance	90,997.	69,412.	21,585.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.)				
a BAD DEBT EXPENSE	150,634.	150,634.		
b MAINTENANCE AND REPAIRS	94,578.	83,730.	10,848.	
c FOOD SERVICE	70,357.	64,398.	5,959.	
d DUES & SUBSCRIPTIONS	61,931.	17,292.	44,639.	
e All other expenses	-510,622.		-510,622.	
25 Total functional expenses. Add lines 1 through 24e	6,084,096.	5,220,524.	863,572.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here ☐ if following SOP 98-2 (ASC 958-720)

Part X Balance SheetCheck if Schedule O contains a response or note to any line in this Part X ☐

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	551,174.	1	355,829.
	2 Savings and temporary cash investments	2,262,086.	2	3,126,844.
	3 Pledges and grants receivable, net	841,832.	3	2,784,985.
	4 Accounts receivable, net	135,850.	4	165,349.
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	151,074.	9	18,968.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 1,176,909.		
	b Less: accumulated depreciation	10b 1,137,191.	10c	39,718.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11		15	
16 Total assets. Add lines 1 through 15 (must equal line 33)	4,195,955.	16	6,491,693.	
Liabilities	17 Accounts payable and accrued expenses	390,781.	17	390,394.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	539,086.	25	125,910.
	26 Total liabilities. Add lines 17 through 25	929,867.	26	516,304.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions	1,635,637.	27	2,355,767.
	28 Net assets with donor restrictions	1,630,451.	28	3,619,622.
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building, or equipment fund		30	
	31 Retained earnings, endowment, accumulated income, or other funds		31	
	32 Total net assets or fund balances	3,266,088.	32	5,975,389.
	33 Total liabilities and net assets/fund balances	4,195,955.	33	6,491,693.

Form 990 (2021)

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	8,793,397.
2	Total expenses (must equal Part IX, column (A), line 25)	2	6,084,096.
3	Revenue less expenses. Subtract line 2 from line 1	3	2,709,301.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	3,266,088.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	5,975,389.

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII ☒

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant?		X
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:		
<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
b Were the organization's financial statements audited by an independent accountant?	X	
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:		
<input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	X	
If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.		
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	X	
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits	X	

Form 990 (2021)

SCHEDULE A
(Form 990)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2021

Open to Public Inspection

Name of the organization

PENFIELD CHILDREN'S CENTER INC

Employer identification number

39-1093701

Part I Reason for Public Charity Status. (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990).)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 ☐ An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 ☒ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions, subject to certain exceptions; and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box on lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
- a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
- b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
- c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
- d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
- e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.

f Enter the number of supported organizations

g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
Total						

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ► <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2021 (line 6, column (f), divided by line 11, column (f))	14	%
15 Public support percentage from 2020 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2021. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
b 33 1/3% support test - 2020. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
17a 10% -facts-and-circumstances test - 2021. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
b 10% -facts-and-circumstances test - 2020. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ► <input type="checkbox"/>		

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	5921007.	3665958.	4017108.	5730529.	6953218.	26287820.
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	2551950.	2495403.	1644761.	1138155.	1837536.	9667805.
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5	8472957.	6161361.	5661869.	6868684.	8790754.	35955625.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons	2400000.			800,000.	2400000.	5600000.
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						0.
c Add lines 7a and 7b	2400000.			800,000.	2400000.	5600000.
8 Public support. (Subtract line 7c from line 6.)						30355625.

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
9 Amounts from line 6	8472957.	6161361.	5661869.	6868684.	8790754.	35955625.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources	60.	4,061.	2,828.	1,958.	2,643.	11,550.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	60.	4,061.	2,828.	1,958.	2,643.	11,550.
11 Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)	8473017.	6165422.	5664697.	6870642.	8793397.	35967175.
14 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ► <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2021 (line 8, column (f), divided by line 13, column (f))	15	84.40 %
16 Public support percentage from 2020 Schedule A, Part III, line 15	16	89.86 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2021 (line 10c, column (f), divided by line 13, column (f))	17	.03 %
18 Investment income percentage from 2020 Schedule A, Part III, line 17	18	.04 %

19a **33 1/3% support tests - 2021.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ► ☒

b **33 1/3% support tests - 2020.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ► ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► ☐

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

- 1 Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No," describe in **Part VI** how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.
- 2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in **Part VI** how the organization determined that the supported organization was described in section 509(a)(1) or (2).
- 3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer lines 3b and 3c below.
- b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If "Yes," describe in **Part VI** when and how the organization made the determination.
- c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in **Part VI** what controls the organization put in place to ensure such use.
- 4a Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below.
- b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If "Yes," describe in **Part VI** how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.
- c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If "Yes," explain in **Part VI** what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.
- 5a Did the organization add, substitute, or remove any supported organizations during the tax year? If "Yes," answer lines 5b and 5c below (if applicable). Also, provide detail in **Part VI**, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).
- b **Type I or Type II only.** Was any added or substituted supported organization part of a class already designated in the organization's organizing document?
- c **Substitutions only.** Was the substitution the result of an event beyond the organization's control?
- 6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If "Yes," provide detail in **Part VI**.
- 7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990).
- 8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described on line 7? If "Yes," complete Part I of Schedule L (Form 990).
- 9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If "Yes," provide detail in **Part VI**.
- b Did one or more disqualified persons (as defined on line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? If "Yes," provide detail in **Part VI**.
- c Did a disqualified person (as defined on line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If "Yes," provide detail in **Part VI**.
- 10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer line 10b below.
- b Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)

	Yes	No
1		
2		
3a		
3b		
3c		
4a		
4b		
4c		
5a		
5b		
5c		
6		
7		
8		
9a		
9b		
9c		
10a		
10b		

Part IV Supporting Organizations (continued)

- 11 Has the organization accepted a gift or contribution from any of the following persons?
- a A person who directly or indirectly controls, either alone or together with persons described on lines 11b and 11c below, the governing body of a supported organization?
- b A family member of a person described on line 11a above?
- c A 35% controlled entity of a person described on line 11a or 11b above? If "Yes" to line 11a, 11b, or 11c, provide detail in **Part VI**.

	Yes	No
11a		
11b		
11c		

Section B. Type I Supporting Organizations

- 1 Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, directors, or trustees at all times during the tax year? If "No," describe in **Part VI** how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove officers, directors, or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.
- 2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in **Part VI** how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.

	Yes	No
1		
2		

Section C. Type II Supporting Organizations

- 1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in **Part VI** how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).

	Yes	No
1		

Section D. All Type III Supporting Organizations

- 1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?
- 2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in **Part VI** how the organization maintained a close and continuous working relationship with the supported organization(s).
- 3 By reason of the relationship described on line 2, above, did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in **Part VI** the role the organization's supported organizations played in this regard.

	Yes	No
1		
2		
3		

Section E. Type III Functionally Integrated Supporting Organizations

- 1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).
- a ☐ The organization satisfied the Activities Test. Complete line 2 below.
- b ☐ The organization is the parent of each of its supported organizations. Complete line 3 below.
- c ☐ The organization supported a governmental entity. Describe in **Part VI** how you supported a governmental entity (see instructions).

2 Activities Test. Answer lines 2a and 2b below.

- a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in **Part VI** identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.
- b Did the activities described on line 2a, above, constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in **Part VI** the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.

3 Parent of Supported Organizations. Answer lines 3a and 3b below.

- a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? If "Yes" or "No" provide details in **Part VI**.
- b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in **Part VI** the role played by the organization in this regard.

	Yes	No
2a		
2b		
3a		
3b		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

- 1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in **Part VI**). See instructions.
All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income

		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount

		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 0.015 of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by 0.035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount

			Current Year
1	Adjusted net income for prior year (from Section A, line 8, column A)	1	
2	Enter 0.85 of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	

- 7 ☐ Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)**Section D - Distributions**

		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	1
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	3
4	Amounts paid to acquire exempt-use assets	4
5	Qualified set-aside amounts (prior IRS approval required - provide details in Part VI)	5
6	Other distributions (describe in Part VI). See instructions.	6
7	Total annual distributions. Add lines 1 through 6.	7
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	8
9	Distributable amount for 2021 from Section C, line 6	9
10	Line 8 amount divided by line 9 amount	10

Section E - Distribution Allocations (see instructions)

	(i) Excess Distributions	(ii) Underdistributions Pre-2021	(iii) Distributable Amount for 2021
1	Distributable amount for 2021 from Section C, line 6		
2	Underdistributions, if any, for years prior to 2021 (reasonable cause required - explain in Part VI). See instructions.		
3	Excess distributions carryover, if any, to 2021		
a	From 2016		
b	From 2017		
c	From 2018		
d	From 2019		
e	From 2020		
f	Total of lines 3a through 3e		
g	Applied to underdistributions of prior years		
h	Applied to 2021 distributable amount		
i	Carryover from 2016 not applied (see instructions)		
j	Remainder. Subtract lines 3g, 3h, and 3i from line 3f.		
4	Distributions for 2021 from Section D, line 7: \$		
a	Applied to underdistributions of prior years		
b	Applied to 2021 distributable amount		
c	Remainder. Subtract lines 4a and 4b from line 4.		
5	Remaining underdistributions for years prior to 2021, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions.		
6	Remaining underdistributions for 2021. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.		
7	Excess distributions carryover to 2022. Add lines 3j and 4c.		
8	Breakdown of line 7:		
a	Excess from 2017		
b	Excess from 2018		
c	Excess from 2019		
d	Excess from 2020		
e	Excess from 2021		

Part VI

Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information.
(See instructions.)

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2021

Open to Public Inspection

Name of the organization

PENFIELD CHILDREN'S CENTER INC

Employer identification number

39-1093701

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (for example, recreation or education)	<input type="checkbox"/> Preservation of a historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶

4 Number of states where property subject to conservation easement is located ▶

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1	▶ \$
(ii) Assets included in Form 990, Part X	▶ \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items:

a Revenue included on Form 990, Part VIII, line 1	▶ \$
b Assets included in Form 990, Part X	▶ \$

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):

- a ☐ Public exhibition
 b ☐ Scholarly research
 c ☐ Preservation for future generations

- d ☐ Loan or exchange program
 e ☐ Other _____

- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

- b If "Yes," explain the arrangement in Part XIII and complete the following table:

c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

	Amount
1c	
1d	
1e	
1f	

- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☐

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

1a Beginning of year balance

b Contributions

c Net investment earnings, gains, and losses

d Grants or scholarships

e Other expenditures for facilities and programs

f Administrative expenses

g End of year balance

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a					
b					
c					
d					
e					
f					
g					

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ☐ %

b Permanent endowment ☐ %

c Term endowment ☐ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

(i) Unrelated organizations

(ii) Related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

- b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? ☐

- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		782,046.	777,994.	4,052.
e Other		394,863.	359,197.	35,666.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				39,718.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.)		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.)		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DUE TO INTERCOMPANY	125,910.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	

125,910.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII ☒

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d		2e
3	Subtract line 2e from line 1		3
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b		4c
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)		5

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d		2e
3	Subtract line 2e from line 1		3
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b		4c
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)		5

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART X, LINE 2:

PENFIELD, FRIENDS OF PENFIELD CHILDREN'S CENTER, INC., 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

Part XIII Supplemental Information *(continued)*

INFORMATION RETURNS ARE CURRENTLY UNDER EXAMINATION BY THE INTERNAL
REVENUE SERVICE OR THE STATE OF WISCONSIN. THE U.S. FEDERAL INFORMATION
RETURNS FOR 2017 AND PRIOR HAVE PASSED THE STATUTE OF LIMITATIONS FOR
AUDIT BY THE INTERNAL REVENUE SERVICE. THE STATE OF WISCONSIN INFORMATION
RETURNS FOR 2016 AND PRIOR HAVE PASSED THE STATUTE OF LIMITATIONS FOR
AUDIT.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees

- **Complete if the organization answered "Yes" on Form 990, Part IV, line 23.**
► **Attach to Form 990.**
► **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2021

**Open to Public
Inspection**

Name of the organization

PENFIELD CHILDREN'S CENTER INC

Employer identification number

39-1093701

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

3 Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in or receive payment from a supplemental nonqualified retirement plan?
- c** Participate in or receive payment from an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2021

Part II Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 3:

THE CHAIRMAN OF THE BOARD AND EXECUTIVE COMMITTEE OF PENFIELD DETERMINE THE
PRESIDENT'S COMPENSATION ANNUALLY. THE DIRECTOR OF HUMAN RESOURCES ALSO
REVIEWS THE SALARY RANGES EACH YEAR FOR PENFIELD BASED ON MARKET CONDITIONS
AND SALARY AND WAGE GUIDANCE. IN 2019, A FULL MARKET STUDY WAS DONE BY MRA
FOR ALL STAFF. THE BOARD OF PENFIELD APPROVES THE OVERALL STAFF BUDGET AND
THE AMOUNT OF ANY INCREASES FOR STAFF (AS APPLICABLE).

(Form 990)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

► Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.

▶ Attach to Form 990 or Form 990-EZ.

► Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2021

Open To Public Inspection

Name of the organization

PENFIELD CHILDREN'S CENTER INC

Employer identification number
39-1093701

Part I

Excess Benefit Transactions

Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and section 501(c)(29) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

[illegible]

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 _____

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization

Part II

Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
Total						\$						

Part III

Part III

Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

[illegible]

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
DAVID NAVARRE	ORGANIZATION DIRECT	6,398.	ORGANIZATIO		X

Part V Supplemental Information.

Provide additional information for responses to questions on Schedule L (see instructions).

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: DAVID NAVARRE

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

ORGANIZATION DIRECTOR

(D) DESCRIPTION OF TRANSACTION: ORGANIZATION DIRECTOR IS A PARTNER AT THE LAW FIRM OF GODFREY AND KAHN WHICH PROVIDES LEGAL SERVICES TO THE ORGANIZATION.

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or Form 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2021

**Open to Public
Inspection**

Name of the organization

PENFIELD CHILDREN'S CENTER INC

Employer identification number

39-1093701

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

FULL POTENTIAL THROUGH EDUCATION, THERAPY SERVICES, INCLUDING

BEHAVIORAL HEALTH SERVICES AND FAMILY PROGRAMS.

FORM 990, PART VI, SECTION B, LINE 11B:

FORM 990 IS REVIEWED BY THE MANAGEMENT OF PENFIELD CHILDREN'S CENTER. THE
FINANCE COMMITTEE OF THE BOARD OF DIRECTORS THEN RECEIVES A COPY OF THE 990
IN ORDER TO REVIEW AND SUBMIT QUESTIONS AND COMMENTS TO MANAGEMENT. UPON
SATISFACTORY RESOLUTION OF ANY QUESTIONS, FORM 990 IS MADE AVAILABLE TO THE
FULL BOARD OF DIRECTORS. AFTER FINALIZING ANY QUESTIONS, FORM 990 IS FILED
WITH THE INTERNAL REVENUE SERVICE.

FORM 990, PART VI, SECTION B, LINE 12C:

BOARD MEMBERS AND KEY PERSONNEL COMPLETE A CONFLICT OF INTEREST DISCLOSURE
FORM ON AN ANNUAL BASIS. DISCLOSURES OF POSSIBLE CONFLICTS OF INTEREST ARE
REVIEWED BY THE CFO/VP OF ADMINISTRATION. THE CFO/VP OF ADMINISTRATION
NOTIFIES THE PRESIDENT AND CHAIRMAN OF THE BOARD OF ANY SITUATIONS THAT
REQUIRE THEIR REVIEW. IF A CONFLICT OF INTEREST EXISTS FOR ANY BOARD
DISCUSSION, THE BOARD MEMBER(S) WILL BE RECUSED FROM DISCUSSION AND VOTING.

FORM 990, PART VI, SECTION B, LINE 15:

THE CHAIRMAN OF THE BOARD AND EXECUTIVE COMMITTEE DETERMINE THE PRESIDENT'S
COMPENSATION ANNUALLY. THE DIRECTOR OF HUMAN RESOURCES ALSO REVIEWS THE
SALARY RANGES EACH YEAR FOR PCC BASED ON MARKET CONDITIONS AND SALARY AND
WAGE GUIDANCE. IN 2019, A FULL MARKET STUDY WAS DONE BY MRA FOR ALL STAFF.

THE BOARD OF PCC APPROVES THE OVERALL STAFF BUDGET AND THE AMOUNT OF ANY

Name of the organization

PENFIELD CHILDREN'S CENTER INC

Employer identification number

39-1093701

INCREASES FOR STAFF (AS APPLICABLE).

FORM 990, PART VI, SECTION C, LINE 19:

ALL DOCUMENTS AS REQUIRED BY LAW ARE AVAILABLE UPON REQUEST. THE
CONSOLIDATED AUDIT OF FINANCIAL STATEMENTS ARE AVAILABLE ON THE
ORGANIZATION'S WEBSITE.

FORM 990, PART XII, LINE 2C:

THE PROCESS FOR OVERSIGHT AND SELECTION OF AN INDEPENDENT ACCOUNTANT
WAS UNCHANGED FROM THE PRIOR YEAR.

SCHEDULE R
(Form 990)

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

▶ Attach to Form 990.

Department of the Treasury
Internal Revenue Service

Name of the organization

PENFIELD CHILDREN'S CENTER INC

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Employer identification number
39-1093701

2021

Open to Public
Inspection

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
PMA BUILDING, LLC 833 N 26TH STREET MILWAUKEE, WI 53233	BUILDING OWNERSHIP AND MAINTENANCE	WISCONSIN	96,333.	1,849,044.	PENFIELD CHILDREN'S CENTER, INC.
PCC BUILDING, LLC - 82-3678852 833 N 26TH STREET MILWAUKEE, WI 53233	BUILDING OWNERSHIP AND MAINTENANCE	WISCONSIN	14,286.	558,273.	PENFIELD CHILDREN'S CENTER, INC.

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
FRIENDS OF PENFIELD CHILDREN'S CENTER - 93-0794216, 833 N. 26TH STREET, MILWAUKEE, WI 53233	FUNDRAISING FOR PENFIELD CHILDREN'S CENTER, INC.	WISCONSIN	501(C)(3)	LINE 12C, III-FI	PENFIELD CHILDREN'S CENTER INC.		X
VMMS BUILDING CORPORATION - 23-7311192 833 N. 26TH STREET MILWAUKEE, WI 53233	OWNS PROPERTY OCCUPIED BY PENFIELD CHILDREN'S CENTER, INC.	WISCONSIN	501(C)(2)		PENFIELD CHILDREN'S CENTER INC.		X
PENFIELD MONTESSORI ACADEMY, INC. - 47-3685752, 833 N. 26TH STREET, MILWAUKEE, WI 53233	K3 THROUGH 8TH GRADE MONTESSORI CHARTER SCHOOL FOR CHILDREN OF ALL	WISCONSIN	501(C)(3)	LINE 2	PENFIELD CHILDREN'S CENTER INC.		X

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

SEE PART VII FOR CONTINUATIONS

Schedule R (Form 990) 2021

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.**Note:** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)	X	
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)		X
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)	X	
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		X
o Sharing of paid employees with related organization(s)	X	
p Reimbursement paid to related organization(s) for expenses		X
q Reimbursement paid by related organization(s) for expenses		X
r Other transfer of cash or property to related organization(s)		X
s Other transfer of cash or property from related organization(s)	X	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) FRIENDS OF PENFIELD CHILDREN'S CENTER	C	21,777.	CASH TRANSACTION
(2) VMMS BUILDING CORPORATION	K	170,000.	PER LEASE AGREEMENT
(3) FRIENDS OF PENFIELD CHILDREN'S CENTER	O	281,850.	ACTUAL EXPENSES
(4) FRIENDS OF PENFIELD CHILDREN'S CENTER	Q	446,874.	ACTUAL EXPENSES
(5)			
(6)			

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R. See instructions.

PART II, IDENTIFICATION OF RELATED TAX-EXEMPT ORGANIZATIONS:

NAME OF RELATED ORGANIZATION:

PENFIELD MONTESSORI ACADEMY, INC.

PRIMARY ACTIVITY: K3 THROUGH 8TH GRADE MONTESSORI CHARTER SCHOOL FOR
CHILDREN OF ALL ABILITIES

**Application for Automatic Extension of Time To File an
Exempt Organization Return**

OMB No. 1545-0047

- **File a separate application for each return.**
► **Go to www.irs.gov/Form8868 for the latest information.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. PENFIELD CHILDREN'S CENTER INC	Taxpayer identification number (TIN) 39-1093701
	Number, street, and room or suite no. If a P.O. box, see instructions. 833 NORTH 26TH STREET	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. MILWAUKEE, WI 53233-1507	

Enter the Return Code for the return that this application is for (file a separate application for each return)

0	1
---	---

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12
Form 990-T (corporation)	07		

CHRISTINE HOLMES

- The books are in the care of ► **833 NORTH 26TH STREET - MILWAUKEE, WI 53233-1507**

Telephone No. ► **414-344-7676**

Fax No. ► _____

- If the organization does not have an office or place of business in the United States, check this box ☐ **_____**
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) **_____**. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and TINs of all members the extension is for.

- 1 I request an automatic 6-month extension of time until **NOVEMBER 15, 2022**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
► ☒ calendar year **2021** or
► ☐ tax year beginning _____, and ending _____

- 2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return
☐ Change in accounting period

3a If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-TE and Form 8879-TE for payment instructions.

Penfield Children's Center, Inc. and Affiliates

Consolidated Financial Statements and Supplemental
Information

December 31, 2021 and 2020

Penfield Children's Center, Inc. and Affiliates

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December 31, 2021 and 2020

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Independent Auditors' Report

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Penfield Children's Center, Inc. and Affiliates and subsidiaries (the Organization), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's abilities 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal and state awards and additional supplementary schedules identified in the table of contents, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and the *State Single Audit Guidelines*, are presented for purposes of additional analysis and are 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 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 GAAS. In our opinion, the 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 September 19, 2022 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
September 19, 2022

Penfield Children's Center, Inc. and AffiliatesConsolidated Statements of Financial Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 5,464,850	\$ 6,048,180
Investments	6,236,247	5,563,824
Accounts receivable	178,042	139,046
Grants receivable	2,118,561	559,217
Contributions and pledges receivable, net	4,092,111	927,423
Prepaid expenses	32,036	159,744
Property and equipment, net	<u>5,565,828</u>	<u>4,426,651</u>
Total assets	<u>\$ 23,687,675</u>	<u>\$ 17,824,085</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 565,742	\$ 530,243
Grant funds received in advance	100,291	95,316
Notes payable	<u>397,574</u>	<u>418,795</u>
Total liabilities	<u>1,063,607</u>	<u>1,044,354</u>
Net Assets		
Without donor restrictions	14,520,140	11,178,970
With donor restrictions	<u>8,103,928</u>	<u>5,600,761</u>
Total net assets	<u>22,624,068</u>	<u>16,779,731</u>
Total liabilities and net assets	<u>\$ 23,687,675</u>	<u>\$ 17,824,085</u>

See notes to consolidated financial statements

Penfield Children's Center, Inc. and Affiliates

Consolidated Statements of Activities
Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenues						
Milwaukee County Department of Human Services	\$ 1,666,695	\$ -	\$ 1,666,695	\$ 1,755,995	\$ -	\$ 1,755,995
U.S.D.A. food program	131,923	-	131,923	79,884	-	79,884
United Way of Greater Milwaukee, Inc.	103,631	384,818	488,449	75,684	384,816	460,500
Service fees and child care	1,702,963	-	1,702,963	1,846,408	-	1,846,408
Contributions and other grants	2,041,844	5,649,561	7,691,405	1,736,371	2,659,760	4,396,131
School grants	2,079,734	-	2,079,734	1,316,562	-	1,316,562
In-kind contributions	122,725	-	122,725	132,784	-	132,784
Fundraising events	476,436	-	476,436	456,037	-	456,037
Cost of direct benefit to donors	(122,871)	-	(122,871)	-	-	-
Investment return, net	524,651	110,435	635,086	479,519	57,432	536,951
Other income	81,643	-	81,643	53,187	-	53,187
Net assets released from restrictions	3,641,647	(3,641,647)	-	2,480,892	(2,480,892)	-
Total public support and revenues	12,451,021	2,503,167	14,954,188	10,413,323	621,116	11,034,439
Expenses						
Program services	7,525,710	-	7,525,710	7,397,330	-	7,397,330
Management and general	1,281,969	-	1,281,969	1,080,593	-	1,080,593
Development and fundraising	302,172	-	302,172	318,608	-	318,608
Total expenses	9,109,851	-	9,109,851	8,796,531	-	8,796,531
Change in net assets	3,341,170	2,503,167	5,844,337	1,616,792	621,116	2,237,908
Net Assets, Beginning	11,178,970	5,600,761	16,779,731	9,562,178	4,979,645	14,541,823
Net Assets, Ending	\$ 14,520,140	\$ 8,103,928	\$ 22,624,068	\$ 11,178,970	\$ 5,600,761	\$ 16,779,731

See notes to consolidated financial statements

Penfield Children's Center, Inc. and Affiliates

Consolidated Statements of Cash Flows

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 5,844,337	\$ 2,237,908
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Net realized and unrealized gain on investments	(427,217)	(312,222)
Depreciation and amortization expense	278,898	257,653
Provision for doubtful accounts	3,700	4,250
Contributions and grants with donor restrictions for capital expenditures and endowment	(3,150,000)	(20,500)
Changes in assets and liabilities:		
Accounts receivable	(38,996)	41,852
Grants receivable	(909,344)	(158,961)
Contributions and pledges receivable	(1,254,979)	615,168
Prepaid expenses	127,708	(98,576)
Accounts payable and accrued expenses	35,499	23,054
Grant funds received in advance	4,975	8,581
Net cash flows from operating activities	<u>514,581</u>	<u>2,598,207</u>
Cash Flows From Investing Activities		
Proceeds from sale of investments	5,534,820	2,521,219
Purchases of investments	(5,780,026)	(3,033,769)
Payments for purchase of property and equipment	<u>(1,418,075)</u>	<u>(165,195)</u>
Net cash flows from investing activities	<u>(1,663,281)</u>	<u>(677,745)</u>
Cash Flows From Financing Activities		
Cash received for capital expenditures and endowment	586,591	771,033
Proceeds from notes payable	-	63,714
Payments on notes payable	<u>(21,221)</u>	<u>(11,254)</u>
Net cash flows from financing activities	<u>565,370</u>	<u>823,493</u>
Net change in cash and cash equivalents	(583,330)	2,743,955
Cash and Cash Equivalents, Beginning	<u>6,048,180</u>	<u>3,304,225</u>
Cash and Cash Equivalents, Ending	<u>\$ 5,464,850</u>	<u>\$ 6,048,180</u>
Supplemental Cash Flow Disclosures		
Cash paid for interest	\$ 14,987	\$ 12,663
Cash paid for income taxes	\$ -	\$ 2,489

See notes to consolidated financial statements

Penfield Children's Center, Inc. and Affiliates

Consolidated Statement of Functional Expenses
Year Ended December 31, 2021

	Birth to Three	Penfield Montessori Academy	Other Programs	Total Programs	Management and General	Development and Fundraising	Total
Expenses							
Salaries	\$ 1,281,814	\$ 1,461,578	\$ 1,966,531	\$ 4,709,923	\$ 709,852	\$ 224,899	\$ 5,644,674
Payroll taxes and benefits	269,753	259,796	484,916	1,014,465	129,734	29,423	1,173,622
Total salaries and related expenses	1,551,567	1,721,374	2,451,447	5,724,388	839,586	254,322	6,818,296
Advertising	-	-	9,237	9,237	122,884	-	132,121
Client transportation	-	14,814	1,435	16,249	-	-	16,249
Computer equipment	-	58,329	119,931	178,260	17,821	-	196,081
Conferences and meetings	3,653	25,513	12,860	42,026	612	-	42,638
Depreciation and amortization	22,668	98,048	131,859	252,575	21,959	4,364	278,898
Dues and subscriptions	134	24,426	32,593	57,153	36,505	106	93,764
Employee transportation	3,921	237	4,810	8,968	-	-	8,968
Equipment and parking lot rental	-	-	1,763	1,763	-	-	1,763
Food service	-	74,384	47,110	121,494	3,537	99	125,130
Insurance	9,207	37,466	78,873	125,546	5,644	1,465	132,655
Maintenance and repairs	13,677	71,251	91,356	176,284	-	-	176,284
Other supplies and expenses	1,841	742	208,651	211,234	9,074	-	220,308
Postage and office supplies	-	2,220	5,920	8,140	2,501	-	10,641
Printing and stationery	-	273	8,451	8,724	160	-	8,884
Professional services and consultant fees	10,277	301,464	88,827	400,568	215,285	35,000	650,853
Provision for bad debt	-	-	-	-	-	3,700	3,700
Telephone	24,239	14,623	23,052	61,914	6,401	3,116	71,431
Utilities	11,070	45,234	64,883	121,187	-	-	121,187
Cost of direct benefit to donors	-	-	-	-	-	122,871	122,871
Total	1,652,254	2,490,398	3,383,058	7,525,710	1,281,969	425,043	9,232,722
Less cost of direct benefit to donors	-	-	-	-	-	(122,871)	(122,871)
Total expenses	\$ 1,652,254	\$ 2,490,398	\$ 3,383,058	\$ 7,525,710	\$ 1,281,969	\$ 302,172	\$ 9,109,851

See notes to consolidated financial statements

Penfield Children's Center, Inc. and Affiliates

Consolidated Statement of Functional Expenses
Year Ended December 31, 2020

	Birth to Three	Penfield Montessori Academy	Other Programs	Total Programs	Management and General	Development and Fundraising	Total
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
Cost of direct benefit to donors	-	-	-	-	-	-	-
Total	1,752,708	2,379,506	3,265,116	7,397,330	1,080,593	318,608	8,796,531
Less cost of direct benefit to donors	-	-	-	-	-	-	-
Total expenses	\$ 1,752,708	\$ 2,379,506	\$ 3,265,116	\$ 7,397,330	\$ 1,080,593	\$ 318,608	\$ 8,796,531

See notes to consolidated financial statements

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2021 and 2020

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 and mutual funds 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, 2021 and 2020

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, 2021 and 2020.

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, 2021 and 2020

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. 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, 2021 and 2020 was \$132,121 and \$138,931, 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 consolidated 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. There were no designations of net assets without donor restrictions as of December 31, 2021 and 2020.

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 in perpetuity 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, 2021 and 2020 there was approximately \$4,057,000 and \$2,676,000 of conditional grant revenue, respectively, which is expected to be recognized in subsequent years when the conditions are met.

During 2021 and 2020, \$100,291 and \$95,316, respectively, had been received in advance and are included within grant funds received in advance on the consolidated statements of financial position. These amounts consist of cash received from state aid in advance of the upcoming semester at PMA and are recognized in the subsequent years when the semester is finished.

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

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 35.3% and 37.8% in 2021 and 2020, respectively, from the stated gross charges. Revenue recognized from service fees was \$375,905 and \$385,077 in 2021 and 2020, 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 \$642,896 and \$755,338 in 2021 and 2020, 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 \$684,162 and \$705,993 in 2021 and 2020, respectively.

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 2017 and prior have passed the statute of limitations for audit by the Internal Revenue Service. The State of Wisconsin information returns for 2016 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 or obligations as of December 31, 2021 and 2020 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, 2021 and 2020, the Organization has not accrued tax, interest or penalties related to uncertain tax positions.

The Organization had no unrelated business income tax in 2021. The Organization paid \$2,489 for Wisconsin unrelated business income tax for employee parking benefits in 2020. The Federal tax law was amended and the Organization amended the 2018 990-T to receive a refund. The Organization had income tax expense \$8,210 in 2020, 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, 2021 and 2020 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 2021 and 2020, the Organization benefited from 1,629 and 2,455 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, 2021 and 2020

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.

	2021	2020
Total assets, at year-end	\$ 23,687,675	\$ 17,824,085
Less non-financial assets:		
Property and equipment, net	(5,565,828)	(4,426,651)
Prepaid expenses	(32,036)	(159,744)
Financial assets, at year-end	18,089,811	13,237,690
Less those unavailable for general expenditures within one year, due to:		
Restricted by donor with purpose restrictions	(2,718,440)	(3,733,030)
Contributions and pledges receivable subject to appropriation and satisfaction of donor's restriction	(1,777,925)	(276,192)
Contributions and pledges receivable collectible beyond one year without a purpose restriction	(2,050,000)	(75,000)
Long-term investments	(6,236,247)	(5,563,824)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,307,199</u>	<u>\$ 3,589,644</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 2022 including the Charter School contract which the amount is dependent on the number of students enrolled; Milwaukee County Department of Human Services for \$1,400,196; and year one of the SAMHSA five year grant for \$1,905,770. 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, 2021 and 2020

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). 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 September 19, 2022, 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, 2021 and 2020, 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:

	2021	2020
Classification Type:		
Bond Funds	\$ 2,026,395	\$ 1,576,388
Equity Funds	4,209,852	3,987,436
Total	<u>\$ 6,236,247</u>	<u>\$ 5,563,824</u>

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2021 and 2020

4. Contributions and Pledges Receivable

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

	<u>2021</u>	<u>2020</u>
Less than one year	\$ 1,197,425	\$ 665,578
One to five years	<u>2,987,500</u>	<u>276,000</u>
Subtotal	4,184,925	941,578
Less discount for present value	<u>(92,814)</u>	<u>(14,155)</u>
Total	<u>\$ 4,092,111</u>	<u>\$ 927,423</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>2021</u>	<u>2020</u>
Land	\$ 318,440	\$ 344,324
Building and improvements	9,085,895	7,734,597
Parking lot and land improvements	1,361,815	1,234,850
Office equipment	772,707	807,011
Software	354,863	354,863
Vehicles	112,553	112,553
Other	<u>40,000</u>	<u>40,000</u>
Subtotal	12,046,273	10,628,198
Less accumulated depreciation and amortization	<u>(6,480,445)</u>	<u>(6,201,547)</u>
Total	<u>\$ 5,565,828</u>	<u>\$ 4,426,651</u>

Depreciation and amortization expense were \$278,898 in 2021 and \$257,653 in 2020.

6. Net Assets With Donor Restrictions

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

	<u>2021</u>	<u>2020</u>
Investment earnings on endowment	\$ 211,496	\$ 101,061
Purpose and time restricted contributions	7,069,832	4,683,600
Endowment Fund, principal to be invested in perpetuity, income to be used for general operating purposes	<u>822,600</u>	<u>816,100</u>
Total	<u>\$ 8,103,928</u>	<u>\$ 5,600,761</u>

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2021 and 2020

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 fair value documented in each fund agreement. The endowment base is defined as the rolling average of fair 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:

	2021		
	Original Gift	Accumulated Gain	Total Endowment
Donor restricted	\$ 812,600	\$ 211,496	\$ 1,024,096

	2020		
	Original Gift	Accumulated Gain	Total Endowment
Donor restricted	\$ 806,100	\$ 101,061	\$ 907,161

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2021 and 2020

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

	With Donor Restrictions		Total Endowment
	Original Gift	Accumulated Gain	
Endowment net assets, as of			
January 1, 2020	\$ 757,775	\$ 43,629	\$ 801,404
Contributions	48,325	-	48,325
Investment income, net of fees	-	57,432	57,432
Endowment net assets, as of			
December 31, 2020	<u>\$ 806,100</u>	<u>\$ 101,061</u>	<u>\$ 907,161</u>
Endowment net assets, as			
of January 1, 2021	\$ 806,100	\$ 101,061	\$ 907,161
Contributions	6,500	-	6,500
Investment income, net of fees	-	110,435	110,435
Endowment net assets, as of			
December 31, 2021	<u>\$ 812,600</u>	<u>\$ 211,496</u>	<u>\$ 1,024,096</u>

In addition, the endowment consists of a pledges receivable of \$10,000 at December 31, 2021 and 2020.

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.

As of December 31, 2020, Penfield and PMA had expended all of the PPP funds received on qualified expenses and believed that it met all of the conditions attached to the PPP, therefore, the Organization recorded grant revenue of \$1,276,900 within its consolidated statements of activities for the year-end December 31, 2020. There is no PPP activity reflected in the 2021 consolidated financial statements.

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.

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2021 and 2020

9. Employee Retention Credit

The Employee Retention Credit (ERC), which was included as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act and amended by the Consolidated Appropriations Act (CAA), the American Rescue Plan Act (ARPA), and the Infrastructure Investment and Jobs Act (IIJA), incentivizes employers severely impacted by the COVID-19 pandemic to retain their employees when they might otherwise find it difficult to do so. The fully refundable tax credit is allowed against the employer's share of employment taxes for qualified wages paid after March 12, 2020 and before October 1, 2021. Credits in excess of the tax amounts paid by an employer are treated as overpayments and are also refunded to the employer. The ERC is calculated as a percentage of qualified wages (as defined in the CARES Act, as amended) paid by an eligible employer. In 2021, the Organization qualified for the ERC as it experienced a significant decline in gross receipts (for 2021, defined as a 20% decline in gross receipts when compared to the same quarter in 2019). The Organization averaged more than 100 full-time employees (FTEs), but less than 500 FTEs during 2019, therefore, it was considered a small employer during 2021. As a small employer in 2021 all of the Organization's otherwise qualified wages were eligible. The Organization did not qualify for the ERC in 2020. For 2021, the ERC equaled 70 percent of an employee's qualified wages up to \$10,000 per employee per calendar quarter with a maximum annual credit of \$21,000 for each employee.

The Organization accounts for this federal funding in accordance with FASB Accounting Standards Codification (ASC) 958-605 guidance for conditional contributions and, accordingly, revenues are measured and recognized when barriers are substantially met. The Organization claimed credits of \$1,115,677 on amended forms 941 which are included in contributions and other grants in the consolidated statements of activities for the year ended December 31, 2021. As of December 31, 2021, the Organization had an ERC receivable of \$1,115,677 included in grants receivable on the consolidated statements of financial position.

10. 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, 2021 and 2020 were \$20,418 and \$15,444, respectively.

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

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

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2021 and 2020

11. 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 14% and 12%, of the Organization's total public support and revenue is from school grants for 2021 and 2020, respectively. The Milwaukee County contract accounts for 11% and 16% of total public support and revenues for 2021 and 2020, respectively.

Two donors account for 87% and three donors account for 49% of the Organization's total outstanding contributions and pledges receivable at December 31, 2021 and 2020, respectively. In 2021 and 2020, the aforementioned donors accounted for 35% and 12% of total public support and revenues, respectively.

The Organization received a significant amount of contributions and other grants revenue in 2021 and 2020 from various federal government coronavirus relief programs. See Notes 8 and 9 for additional information.

12. Units of Service

Milwaukee County contracted to purchase 90,000 and 100,000 units of service from the Organization under the Work and Day - Children's Services program contract for 2021 and 2020, respectively. The Organization provided 88,622 and 95,001 units of service for clients in 2021 and 2020, respectively.

13. 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:

	2021	2020
Advertising	\$ 45,741	\$ 59,560
Fundraising events - supplies	58,977	43,812
Child care and technology - supplies	18,007	20,487
Consulting services	-	8,925
Total	<u>\$ 122,725</u>	<u>\$ 132,784</u>

Items donated and sold at the Pink Tower and Croquet Ball Auctions are recorded at their realized value of \$58,977 and \$43,812 for 2021 and 2020, respectively, and included in contribution revenue on the consolidated statements of activities.

14. 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 did not contribute to the plan during 2021. The Organization contributed \$110,647 to the plan during 2020.

15. 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, 2021 and 2020.

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2021 and 2020

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 \$397,574 and \$418,795 at December 31, 2021 and 2020, respectively. Interest expense was \$14,987 and \$12,663 in 2021 and 2020, 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, 2021 are as follows:

Years ending December 31:	
2022	\$ 24,017
2023	24,997
2024	25,978
2025	<u>322,582</u>
Total	<u>\$ 397,574</u>

During March 2022, the Organization prepaid \$200,000 of principal on the notes payable.

16. 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.

The Organization is a defendant in lawsuits. The final results of such litigation cannot be determined at this time. In the opinion of management, any ultimate liability in the lawsuits would either be within insurance limits or would have no adverse effect on the consolidated financial statements.

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Penfield Children's Center, Inc. and Affiliates (the Organization), which comprise the Organization's consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 19, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Baker Tilly US, LLP

Milwaukee, Wisconsin
September 19, 2022

**Report on Compliance
for Each Major Federal and Major State Program and Report on
Internal Control Over Compliance Required
by the Uniform Guidance and the *State Single Audit Guidelines***

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and Major State Program

Opinion on Each Major Federal and Major State Program

We have audited Penfield Children's Center, Inc. and Affiliates' (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *State Single Audit Guidelines* (the *Guidelines*) that could have a direct and material effect on each of the Organization's major federal and major state programs for the year ended December 31, 2021. The Organization's major federal and major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and major state programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal and Major State Program

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

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

Other Matter – Federal and State Expenditures Not Included in the Compliance Audit

The Organization's basic consolidated financial statements include the operations of the subsidiaries of the Organization, as identified in the notes to the schedule of federal and state awards, which expended \$879,412 in federal awards and \$1,267,798 in state awards which are not included in the Organization's schedule of expenditures of federal and state awards during the year ended December 31, 2021. Our compliance audit, described in the "Opinion on Each Major Federal and Major State Program," does not include the operations of the subsidiaries of the Organization, as identified in the notes to the schedule of federal and state awards because they have separate audits under the Uniform Guidance and the *Guidelines* or do not require an audit under Uniform Guidance and the *Guidelines*.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the *Guidelines*, we:

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

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

Report on Internal Control Over Compliance

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

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

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

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

Baker Tilly US, LLP

Milwaukee, Wisconsin
September 19, 2022

Penfield Children's Center, Inc. and Affiliates

Schedule of Expenditures of Federal and State Awards

Year Ended December 31, 2021

Federal Awards	Assistance Listing Number	Pass-Through Entity's Number	Federal Expenditures	Subrecipient Awards
Federal Grantor/Pass-Through Entity/Program Title				
U.S. Department of Agriculture:				
Passed through Wisconsin Department of Public Instruction:				
COVID-19 Child and Adult Care Food Program	10.558	Not available	\$ 57,691	\$ -
U.S. Department of Education:				
Passed through Milwaukee County - Department of Human Services:				
Special Education, Grants for Infants and Families	84.181	40-17898-100	643,366	-
U.S. Department of Health and Human Services:				
Direct award:				
Substance Abuse and Mental Health Services, Projects of Regional and National Significance	93.243	Not applicable	399,718	9,374
Passed through Acelero:				
Head Start	93.600	05H90032	211,107	-
Total Head Start Cluster			211,107	-
Passed through Wisconsin Department of Health Services:				
Medical Assistance Program	93.778	Not available	63,411	-
Passed through Milwaukee County - Department of Human Services:				
Medical Assistance Program	93.778	40-17898-100	284,301	-
Total Medicaid Cluster			347,712	-
Total U.S. Department of Health and Human Services			958,537	9,374
Total expenditures of federal awards			\$ 1,659,594	\$ 9,374
State Awards	State ID Number	Pass-Through Entity's Number	State Expenditures	Subrecipient Awards
State Grantor/Pass-Through Entity/Program Title				
Wisconsin Department of Health Services:				
Passed through Milwaukee County - Department of Human Services:				
Birth to Three	435.550	40-17898-100	\$ 739,028	\$ -
Direct award:				
Medical Assistance Program	Unknown	Not applicable	28,632	-
Total Wisconsin Department of Health Services			767,660	-
Wisconsin Department of Children and Families:				
Direct award:				
Child Care Counts Payment Program	Unknown	Not applicable	111,295	-
Total expenditures of state awards			\$ 878,955	\$ -

See notes to schedule of expenditures of federal and state awards

Penfield Children's Center, Inc. and Affiliates

Notes to Schedule of Expenditures of Federal and State Awards
Year Ended December 31, 2021

Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (the schedule) includes the federal and state award activity of Penfield Children's Center, Inc. and Affiliates (the Organization) under programs of the federal and state government for the year ended December 31, 2021. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines* (Guidelines). Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

Management reviews the expenditures of federal and state awards for each entity that comprise the Organization and determines if a separate audit is required under the Uniform Guidance and the Guidelines. Expenditures for the following consolidated subsidiaries of Penfield Children's Center, Inc. are not included to meet the requirements of the Uniform Guidance and the Guidelines because they have separate audits under the Uniform Guidance and the Guidelines or do not require an audit under the Uniform Guidance and the Guidelines:

Friends of Penfield Children's Center, Inc.
Penfield Montessori Academy, Inc.

VMMS Building Corp.
PMA Building, LLC

PCC Building, LLC

Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance and the Guidelines, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Indirect Cost Rate

The Organization has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Noncash Awards

The Organization did not receive any non-cash federal awards.

State ID Numbers

The Organization received state funding and some of the funders did not provide the state identification number. The state amounts are presented as "unknown" and are known to originate from the Wisconsin Department of Health Services and the Wisconsin Department of Children and Families. The programs are distinct and unrelated to each other.

Penfield Children's Center, Inc. and Affiliates

Schedule of Findings and Questioned Costs

Year Ended December 31, 2021

Section I: Summary of Auditors' Results**Financial Statements**

Type of report the auditor issued on whether the consolidated financial statements audited were prepared in accordance with GAAP:

unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes

_____ X _____ no

Significant deficiency(ies) identified?

_____ yes

_____ X _____ none reported

Noncompliance material to the consolidated financial statements noted?

_____ yes

_____ X _____ no

Federal and State Awards

Internal control over major federal and state programs:

Material weakness(es) identified?

_____ yes

_____ X _____ no

Significant deficiency(ies) identified?

_____ yes

_____ X _____ none reported

Type of auditors' report issued on compliance for major programs:

unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ yes

_____ X _____ no

Identification of major federal and state program:

Assistance Listing Number(s)

84.181

Name of Federal Program or Cluster

Special Education, Grants for Infants and Families

Identification of major state programs:

Assistance Listing / State ID Number(s)

84.181 / 435.550

Name of State Program or Cluster

Special Education, Grants for Infants and Families and Birth to Three

Dollar threshold used to distinguish between federal Type A and Type B programs

\$750,000

Dollar threshold used to distinguish between state Type A and Type B programs

\$250,000

Auditee qualified as low risk auditee?

_____ X _____ yes

_____ _____ no

Penfield Children's Center, Inc. and Affiliates

Schedule of Findings and Questioned Costs

Year Ended December 31, 2021

Section II: Financial Statement Findings

There were no findings

Section III: Federal Findings and Questioned Costs

There were no findings or questioned costs.

Section IV: Other Issues

Does the auditor have substantial doubt as to the
auditee's ability to continue as a going concern?

_____ yes

_____X_____ no

Does the audit report show audit issues (i.e. material
non-compliance, non-material non-compliance,
questioned costs, material weaknesses, significant
deficiencies, management letter comment, excess
revenue or excess reserve) related to
grants/contracts with funding agencies that require
audits to be in accordance with the *State Single
Audit Guidelines*:

Department of Health Services

_____ yes

_____X_____ no

Department of Public Instruction

_____ yes

_____X_____ no

Department of Children and Families

_____ yes

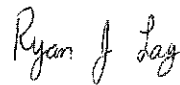
_____X_____ no

Was a management letter or other document
conveying audit comments issued as a result of
this audit?

_____ yes

_____X_____ no

Name and signature of partner



Ryan Lay, CPA

Date of the report

September 19, 2022

Penfield Children's Center, Inc. and Affiliates

Summary Schedule of Prior Audit Findings
Year Ended December 31, 2021

The prior year audit disclosed no findings and, therefore, no uncorrected or unresolved findings exist from the prior year.

Penfield Children's Center, Inc. and Affiliates

Schedule of Program Revenues and Expenses, Birth to Three
Year Ended December 31, 2021

	Actual	Approved Budget	Variance from Budget	Maximum	Disallowed
Public Support and Revenues					
Milwaukee County Department of Human Services, Birth to Three	\$ 1,382,394	\$ 1,382,394	\$ -		
Service fees and child care	479,112	702,250	(223,138)		
Contributions and other grants	177,536	524,000	(346,464)		
Total public support and revenues	2,039,042	2,608,644	(569,602)		
Expenses					
Salaries	1,281,814	1,597,020	(315,206)	\$ 159,702	
Employee benefits	173,695	250,935	(77,240)	85,192	
Payroll taxes	96,058	142,344	(46,286)	85,192	
Professional fees	10,277	22,350	(12,073)	85,192	
Supplies	1,841	20,029	(18,188)	85,192	
Telephone	24,239	26,721	(2,482)	85,192	
Occupancy*	56,622	65,727	(9,105)	85,192	
Employee travel	3,921	30,046	(26,125)	85,192	
Conferences, conventions, meetings	3,653	22,063	(18,410)	85,192	
Membership dues	134	1,684	(1,550)	85,192	
Allocated costs*	576,687	660,827	(84,140)	85,192	
Total expenses	2,228,941	2,839,746	(610,805)		
Net deficit	\$ (189,899)	\$ (231,102)	\$ 41,203		

*Expenses reported on the Schedule of Program Revenues and Expenses, Birth to Three differs from the Consolidated Statement of Functional Expenses due to accounting guidance clarifying that certain allocated costs remain as management and general on the Consolidated Statements of Functional Expenses for audit purposes.

Penfield Children's Center, Inc. and Affiliates

Wisconsin Department of Health Services Cost Reimbursement Award Schedule

Contract for Children's Long-Term Support Access and Eligibility Services

Year Ended December 31, 2021

	CARS profile or PO #: 43500- 0000030943
DHS identification number	
Award amount	\$ 165,294
	7/1/2020 -
Award period	6/30/2021
	1/1/2021 -
Period of award within audit period	6/30/2021
Expenditures reported to DHS or revenue received	\$ 92,043
Salaries	66,650
Employee benefits	7,213
Payroll taxes	6,373
Professional Fees	531
Occupancy	636
Conferences, conventions, meetings	25
Supplies	738
Telephone	942
Insurance	795
Allocated costs	8,140
Total operating costs of award	92,043
Less disallowed costs	-
Less program revenue and other offsets to costs	-
Total allowable costs	92,043
Net surplus	\$ -