

Return of Organization Exempt From Income Tax

Form 990

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

2023

Department of the Treasury Internal Revenue Service

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.

Open to Public Inspection

Form 990 header section A-M containing organization details like name, address, EIN, and tax status.

Part I Summary

Table with 3 columns: Description, Prior Year, Current Year. Rows include Activities & Governance, Revenue, Expenses, and Net Assets or Fund Balances.

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.

Signature block form with fields for officer signature, preparer name, address, and date.

May the IRS discuss this return with the preparer shown above? See instructions [X] Yes [] No

Part III Statement of Program Service Accomplishments

Check 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

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

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 \$ 2,267,024. including grants of \$) (Revenue \$) BIRTH TO THREE PROGRAM: 1107 CHILDREN RECEIVED BIRTH-TO-3 EARLY INTERVENTION SERVICES FOR CHILDREN WITH DEVELOPMENTAL DISABILITIES OR DELAYS. 59 CHILDREN SPECIALIZED NURSING SERVICES, TOTALING 815 NURSE CONTRACTS. 353 CHILDREN RECEIVED THERAPY SERVICES.

4b (Code:) (Expenses \$ 4,166,277. including grants of \$) (Revenue \$ 1,940,396.) ALL OTHER PROGRAMS: 197 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 41 CHILDREN AGES THREE YEARS TO FOURTEEN YEARS RECEIVED SERVICES IN PENFIELD'S OUTPATIENT CLINIC. 115 CHILDREN AGES FOUR WEEKS TO NINE YEARS WERE ENROLLED IN PENFIELD'S CHILD CARE PROGRAM. 900 CHILDREN PARTICIPATED IN PENFIELD'S FAMILY PROGRAMS.

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 6,433,301.

Part IV Checklist of Required Schedules

Table with 3 columns: Question ID, Yes, No. Rows include questions 1 through 21 regarding organizational requirements, such as political activities, lobbying, and financial reporting.

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question ID, Question Text, Yes, No. Rows 22-38 covering various organizational requirements.

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

Table with 3 columns: Question ID, Question Text, Yes, No. Rows 1a-1c regarding Form 1096 and backup withholding rules.

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

Table with columns for question number, question text, and Yes/No columns. Includes questions 2a through 17 regarding employee reporting, tax returns, gross income, foreign accounts, prohibited transactions, and charitable contributions.

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 [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members... 1b Enter the number of voting members included... 2 Did any officer, director, trustee, or key employee have a family relationship... 3 Did the organization delegate control over management duties... 4 Did the organization make any significant changes to its governing documents... 5 Did the organization become aware during the year of a significant diversion of the organization's assets... 6 Did the organization have members or stockholders... 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... 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body... 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: a The governing body? b Each committee with authority to act on behalf of the governing body? 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

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

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates? 10b 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? 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? 11b Describe on Schedule O the process, if any, used by the organization to review this Form 990. 12a Did the organization have a written conflict of interest policy? If "No," go to line 13 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe on Schedule O how this was done 13 Did the organization have a written whistleblower policy? 14 Did the organization have a written document retention and destruction policy? 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? 15a The organization's CEO, Executive Director, or top management official 15b Other officers or key employees of the organization 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? 16b 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?

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 [X] 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
KARA COLEMAN - 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, box 6 of 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) POLINA MAKIEVSKY PRESIDENT	36.00 4.00			X			159,831.	0.	10,076.	
(2) ANN BECKER VP PROGRAMS	40.00			X			120,562.	0.	32,275.	
(3) MEGAN WURZ VP DEVELOPMENT/COMM.	1.00 40.00			X			113,351.	0.	32,038.	
(4) RON JACOBS CFO/VP ADMINISTRATION	40.00			X			102,012.	0.	4,046.	
(5) CHRISTINE HOLMES PRESIDENT (UNTIL 2/1/2023)	36.00 4.00			X			24,781.	0.	3,004.	
(6) ALVARO ARAQUE CHAIRMAN	1.00 0.10	X		X			0.	0.	0.	
(7) SARAH SCHNEIDER VICE CHAIRMAN	1.00 0.10	X		X			0.	0.	0.	
(8) JENNIFER LA MACCHIA SECRETARY	0.20	X		X			0.	0.	0.	
(9) JEFFREY BARTH TREASURER	1.00 0.10	X		X			0.	0.	0.	
(10) ANN GRANITZ DIRECTOR	0.20	X					0.	0.	0.	
(11) ANTHONY NGUYEN DIRECTOR	0.20 0.10	X					0.	0.	0.	
(12) BETSY BROWN WYATT DIRECTOR	0.20	X					0.	0.	0.	
(13) DAVID NAVARRE DIRECTOR	0.20	X					0.	0.	0.	
(14) DIRK CARSON DIRECTOR	0.20	X					0.	0.	0.	
(15) DONALD WILSON DIRECTOR	0.20	X					0.	0.	0.	
(16) ERICKAJAY DANIELS 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) GENE MUELLER DIRECTOR	0.20 0.10	X						0.	0.	0.
(19) JESSICA ZERATSKY DIRECTOR	0.20 0.10	X						0.	0.	0.
(20) JOE SCHMIDT DIRECTOR	0.20 0.10	X						0.	0.	0.
(21) JON SCHUMACHER DIRECTOR	0.20 0.10	X						0.	0.	0.
(22) KIMBERLY RENNIE DIRECTOR	0.20 0.10	X						0.	0.	0.
(23) MADONNA WILLIAMS DIRECTOR	1.00 0.20	X						0.	0.	0.
(24) MICHAEL BROPHY DIRECTOR	1.00 0.10	X						0.	0.	0.
(25) PATRICIA SCHUYLER DIRECTOR	0.20 0.10	X						0.	0.	0.
(26) PATRICK FENNELLY DIRECTOR	0.20 0.10	X						0.	0.	0.
1b Subtotal								520,537.	0.	81,439.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								520,537.	0.	81,439.

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 4

	Yes	No
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		X
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	X	
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		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 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 (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(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			
(27) PETER DUBACK DIRECTOR	0.20	X						0.	0.	0.
(28) PHYLLIS KING, PHD DIRECTOR	0.20	X						0.	0.	0.
(29) RAHIM KEVAL DIRECTOR	0.20	X						0.	0.	0.
(30) ROBERT MIKULAY DIRECTOR	1.00 0.20	X						0.	0.	0.
(31) SCOTT KOLODZINSKI DIRECTOR	0.20	X						0.	0.	0.
(32) SMRITI KHARE, MD DIRECTOR	0.20	X						0.	0.	0.
(33) STEVE KEANE DIRECTOR	0.20	X						0.	0.	0.
(34) STEVEN THOMAS DIRECTOR	0.20	X						0.	0.	0.
(35) THERESA REAGAN DIRECTOR	0.20 0.10	X						0.	0.	0.
(36) LISA VAN LANDEGHEM DIRECTOR	0.20 0.10	X						0.	0.	0.
Total to Part VII, Section A, line 1c										

Part VIII Statement of Revenue

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

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns	426,817.				
	b	Membership dues					
	c	Fundraising events					
	d	Related organizations	1,828,491.				
	e	Government grants (contributions)	1,813,355.				
	f	All other contributions, gifts, grants, and similar amounts not included above ...	650,026.				
	g	Noncash contributions included in lines 1a-1f	\$				
	h	Total. Add lines 1a-1f		4,718,689.			
Program Service Revenue	2 a	PROGRAM SERVICE REVENUE	624100	1,940,396.	1,940,396.		
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		1,940,396.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		16,856.		16,856.	
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6 a	Gross rents	(i) Real				
			(ii) Personal				
			6a				
			6b				
	6c	Rental income or (loss)					
	d	Net rental income or (loss)					
	7 a	Gross amount from sales of assets other than inventory	(i) Securities				
			(ii) Other				
			7a				
			7b				
	7c	Less: cost or other basis and sales expenses					
	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						
		8a					
		8b					
b	Less: direct expenses						
c	Net income or (loss) from fundraising events						
9 a	Gross income from gaming activities. See Part IV, line 19						
		9a					
		9b					
b	Less: direct expenses						
c	Net income or (loss) from gaming activities						
10 a	Gross sales of inventory, less returns and allowances						
		10a					
		10b					
b	Less: cost of goods sold						
c	Net income or (loss) from sales of inventory						
Miscellaneous Revenue	11 a						
	b						
	c						
	d	All other revenue					
	e	Total. Add lines 11a-11d					
12	Total revenue. See instructions		6,675,941.	1,940,396.	0.	16,856.	

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	601,977.	601,977.		
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	4,239,813.	3,382,865.	856,948.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	100,048.	29,137.	70,911.	
9 Other employee benefits	613,669.	567,514.	46,155.	
10 Payroll taxes	444,630.	372,992.	71,638.	
11 Fees for services (nonemployees):				
a Management	285,968.	127,363.	158,605.	
b Legal	4,912.	25.	4,887.	
c Accounting	56,712.		56,712.	
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	40,432.		40,432.	
13 Office expenses	326,441.	299,552.	26,889.	
14 Information technology	9,507.	9,507.		
15 Royalties				
16 Occupancy	229,175.	229,175.		
17 Travel	75,755.	75,755.		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings	33,193.	26,566.	6,627.	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	199,475.	181,826.	17,649.	
23 Insurance	79,799.	53,461.	26,338.	
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 MAINTENANCE AND REPAIRS	149,345.	149,345.		
b PROVISION FOR BAD DEBT	147,880.	147,880.		
c FOOD SERVICE	75,496.	75,496.		
d MISCELLANEOUS EXPENSES	68,102.	68,102.		
e All other expenses _____	64,685.	34,763.	29,922.	
25 Total functional expenses. Add lines 1 through 24e	7,847,014.	6,433,301.	1,413,713.	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 <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash - non-interest-bearing	292,119.	1	343,923.
	2 Savings and temporary cash investments	1,760,569.	2	2,902,323.
	3 Pledges and grants receivable, net	2,447,880.	3	1,626,939.
	4 Accounts receivable, net	87,732.	4	101,346.
	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	135,382.	9	70,455.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 1,197,159.		
	b Less: accumulated depreciation	10b 1,144,358.	119,941.	10c 52,801.
	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	1,740,155.	15	636,038.
16 Total assets. Add lines 1 through 15 (must equal line 33)	6,583,778.	16	5,733,825.	
Liabilities	17 Accounts payable and accrued expenses	433,326.	17	303,333.
	18 Grants payable		18	
	19 Deferred revenue	0.	19	59,700.
	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	857,754.	25	1,249,167.
	26 Total liabilities. Add lines 17 through 25	1,291,080.	26	1,612,200.
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	2,355,767.	27	2,384,968.
	28 Net assets with donor restrictions	2,936,931.	28	1,736,657.
	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	5,292,698.	32	4,121,625.
33 Total liabilities and net assets/fund balances	6,583,778.	33	5,733,825.	

Form 990 (2023)

Part XI Reconciliation of Net Assets

Check 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	6,675,941.
2	Total expenses (must equal Part IX, column (A), line 25)	2	7,847,014.
3	Revenue less expenses. Subtract line 2 from line 1	3	-1,171,073.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	5,292,698.
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	4,121,625.

Part XII Financial Statements and Reporting

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

- 1** Accounting method used to prepare the Form 990: Cash Accrual 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? _____
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:
 Separate basis Consolidated basis Both consolidated and separate basis
- b** Were the organization's financial statements audited by an independent accountant? _____
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:
 Separate basis Consolidated basis 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? _____
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 Uniform Guidance, 2 C.F.R. Part 200, Subpart F? _____
- 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 _____

	Yes	No
2a		X
2b	X	
2c	X	
3a	X	
3b	X	

Form 990 (2023)

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

2023

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).
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).
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).
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).
8 A community trust described in section 170(b)(1)(A)(vi).
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.
10 [X] 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...
11 An organization organized and operated exclusively to test for public safety.
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...
a Type I. A supporting organization operated, supervised, or controlled by its supported organization(s)...
b Type II. A supporting organization supervised or controlled in connection with its supported organization(s)...
c Type III functionally integrated. A supporting organization operated in connection with, and functionally integrated with, its supported organization(s)...
d Type III non-functionally integrated. A supporting organization operated in connection with its supported organization(s) that is not functionally integrated...
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

Table with columns: (i) Name of supported organization, (ii) EIN, (iii) Type of organization, (iv) Is the organization listed in your governing document?, (v) Amount of monetary support, (vi) Amount of other support.

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

Table with 7 columns: (a) 2019, (b) 2020, (c) 2021, (d) 2022, (e) 2023, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 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

Table with 7 columns: (a) 2019, (b) 2020, (c) 2021, (d) 2022, (e) 2023, (f) Total. Rows include: 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); 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.

Section C. Computation of Public Support Percentage

Table with 3 columns: Line number, Description, and Percentage. Rows include: 14 Public support percentage for 2023 (line 6, column (f), divided by line 11, column (f)); 15 Public support percentage from 2022 Schedule A, Part II, line 14; 16a 33 1/3% support test - 2023; 16b 33 1/3% support test - 2022; 17a 10% -facts-and-circumstances test - 2023; 17b 10% -facts-and-circumstances test - 2022; 18 Private foundation.

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) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	4,017,108.	5,730,529.	6,953,218.	4,686,366.	4,718,689.	26,105,910.
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	1,644,761.	1,138,155.	1,837,536.	1,732,172.	1,940,396.	8,293,020.
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	5,661,869.	6,868,684.	8,790,754.	6,418,538.	6,659,085.	34,398,930.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons		800,000.	2,400,000.			3,200,000.
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		800,000.	2,400,000.			3,200,000.
8 Public support. (Subtract line 7c from line 6.)						31,198,930.

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(f) Total
9 Amounts from line 6	5,661,869.	6,868,684.	8,790,754.	6,418,538.	6,659,085.	34,398,930.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources	2,828.	1,958.	2,643.	11,643.	16,856.	35,928.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	2,828.	1,958.	2,643.	11,643.	16,856.	35,928.
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.)	5,664,697.	6,870,642.	8,793,397.	6,430,181.	6,675,941.	34,434,858.

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**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2023 (line 8, column (f), divided by line 13, column (f))	15	90.60 %
16 Public support percentage from 2022 Schedule A, Part III, line 15	16	90.50 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2023 (line 10c, column (f), divided by line 13, column (f))	17	.10 %
18 Investment income percentage from 2022 Schedule A, Part III, line 17	18	.07 %

19a 33 1/3% support tests - 2023. 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 - 2022. 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 on line 12 of 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

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>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.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer lines 3b and 3c below.</i>		
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)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>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.</i>		
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)? <i>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.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>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).</i>		
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? <i>If "Yes," provide detail in Part VI.</i>		
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? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described on line 7? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
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))? <i>If "Yes," provide detail in Part VI.</i>		
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? <i>If "Yes," provide detail in Part VI.</i>		
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? <i>If "Yes," provide detail in Part VI.</i>		
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)? <i>If "Yes," answer line 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

Table with 3 columns: Question, Yes, No. Row 11: Has the organization accepted a gift or contribution from any of the following persons? Sub-rows 11a, 11b, 11c.

Section B. Type I Supporting Organizations

Table with 3 columns: Question, Yes, No. Row 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? Row 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?

Section C. Type II Supporting Organizations

Table with 3 columns: Question, Yes, No. Row 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)?

Section D. All Type III Supporting Organizations

Table with 3 columns: Question, Yes, No. Row 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? Row 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? Row 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?

Section E. Type III Functionally Integrated Supporting Organizations

Table with 3 columns: Question, Yes, No. Row 1: Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions). Sub-rows a, b, c. Row 2: Activities Test. Answer lines 2a and 2b below. Sub-rows a, b. Row 3: Parent of Supported Organizations. Answer lines 3a and 3b below. Sub-rows a, b.

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 (<i>explain in detail in Part VI</i>):		
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	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Schedule A (Form 990) 2023

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 2023 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-2023	(iii) Distributable Amount for 2023
1	Distributable amount for 2023 from Section C, line 6		
2	Underdistributions, if any, for years prior to 2023 (reasonable cause required - explain in Part VI). See instructions.		
3	Excess distributions carryover, if any, to 2023		
a	From 2018		
b	From 2019		
c	From 2020		
d	From 2021		
e	From 2022		
f	Total of lines 3a through 3e		
g	Applied to underdistributions of prior years		
h	Applied to 2023 distributable amount		
i	Carryover from 2018 not applied (see instructions)		
j	Remainder. Subtract lines 3g, 3h, and 3i from line 3f.		
4	Distributions for 2023 from Section D, line 7: \$		
a	Applied to underdistributions of prior years		
b	Applied to 2023 distributable amount		
c	Remainder. Subtract lines 4a and 4b from line 4.		
5	Remaining underdistributions for years prior to 2023, 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 2023. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.		
7	Excess distributions carryover to 2024. Add lines 3j and 4c.		
8	Breakdown of line 7:		
a	Excess from 2019		
b	Excess from 2020		
c	Excess from 2021		
d	Excess from 2022		
e	Excess from 2023		

Schedule A (Form 990) 2023

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.)

Multiple horizontal lines for supplemental information.

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

2023

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).
 Preservation of land for public use (for example, recreation or education) Preservation of a historically important land area
 Protection of natural habitat Preservation of a certified historic structure
 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 on line 2a	2c
d Number of conservation easements included on line 2c acquired after July 25, 2006, 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 2d 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 \$ _____

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

Schedule D (Form 990) 2023

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:
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 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 in Part XIII

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

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

- 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:
- | | Yes | No |
|--|--------|----|
| (i) Unrelated organizations? | 3a(i) | |
| (ii) Related organizations? | 3a(ii) | |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |
- 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		783,446.	778,770.	4,676.
e Other		413,713.	365,588.	48,125.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, line 10c, column (B))				52,801.

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, line 12, col. (B))		

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, line 13, col. (B))		

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) OPERATING LEASE RIGHT OF USE	636,038.
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, line 15, col. (B))	636,038.

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) OPERATING LEASE LIABILITY	636,038.
(3) DUE FROM INTERCOMPANY	613,129.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, line 25, col. (B))	1,249,167.

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.

Table with 5 main rows and sub-rows (a-e) for adjustments. Columns include line numbers and a shaded area for calculations.

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.

Table with 5 main rows and sub-rows (a-e) for adjustments. Columns include line numbers and a shaded area for calculations.

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 2019 AND PRIOR HAVE PASSED THE STATUTE OF LIMITATIONS FOR
 AUDIT BY THE INTERNAL REVENUE SERVICE. THE STATE OF WISCONSIN INFORMATION
 RETURNS FOR 2018 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

2023

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
1a		
1b		
2		
3		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

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

Schedule J (Form 990) 2023

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC and/or 1099-NEC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred on prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) POLINA MAKTEVSKY PRESIDENT	(i)	159,831.	0.	0.	10,076.	169,907.	0.
	(ii)	0.	0.	0.	0.	0.	0.
(2) ANN BECKER VP PROGRAMS	(i)	120,562.	0.	3,428.	28,847.	152,837.	0.
	(ii)	0.	0.	0.	0.	0.	0.
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							

Part III 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).

SCHEDULE L
(Form 990)

Transactions With Interested Persons

OMB No. 1545-0047

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.

2023

Attach to Form 990 or Form 990-EZ.

Open to Public Inspection

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

Department of the Treasury
Internal Revenue Service

Name of the organization PENFIELD CHILDREN'S CENTER INC	Employer identification number 39-1093701
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Part I 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.

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
			Yes	No
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

- 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
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												
(8)												
(9)												
(10)												
Total						\$						

Part III Grants or Assistance Benefiting Interested Persons

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

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
(1) DAVID NAVARRE	ORGANIZATION DIRECT	28,195.	ORGANIZATIO		X
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

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

2023

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

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

Schedule O (Form 990) 2023

LHA 332211 11-14-23

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)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

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

OMB No. 1545-0047

2023

Open to Public
Inspection

Name of the organization

PENFIELD CHILDREN'S CENTER INC

Employer identification number

39-1093701

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	991,554.	17,892.	PENFIELD CHILDREN'S CENTER, INC.
PCC BUILDING, LLC - 82-3678852 833 N 26TH STREET MILWAUKEE, WI 53233	BUILDING OWNERSHIP AND MAINTENANCE	WISCONSIN	258,549.	519,240.	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

Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	(k) Percentage ownership
							Yes	No			

Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No

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	1,783,392.	CASH TRANSACTION
(2) VMMS BUILDING CORPORATION	K	170,000.	PER LEASE AGREEMENT
(3) FRIENDS OF PENFIELD CHILDREN'S CENTER	Q	575,649.	ACTUAL EXPENSES
(4) FRIENDS OF PENFIELD CHILDREN'S CENTER	O	297,964.	ACTUAL EXPENSES
(5)			
(6)			

Part VI **Unrelated Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners sec. 501(c)(3) orgs.?		(f) Share of total income	(g) Share of end-of-year assets	(h) Dispropor- tionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

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 Extension of Time To File an Exempt Organization
Return or Excise Taxes Related to Employee Benefit Plans**

Department of the Treasury
Internal Revenue Service

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

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.

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.

Part I - Identification

Type or Print <small>File by the due date for filing your return. See instructions.</small>	Name of exempt organization, employer, 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 4720 (other than individual)	09
Form 4720 (individual)	03	Form 5227	10
Form 990-PF	04	Form 6069	11
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 8870	12
Form 990-T (trust other than above)	06	Form 5330 (individual)	13
Form 990-T (corporation)	07	Form 5330 (other than individual)	14
Form 1041-A	08		

• After you enter your Return Code, complete either Part II or Part III. Part III, including signature, is applicable only for an extension of time to file Form 5330.

• If this application is for an extension of time to file Form 5330, you must enter the following information.

Plan Name _____
 Plan Number _____
 Plan Year Ending (MM/DD/YYYY) _____

Part II - Automatic Extension of Time To File for Exempt Organizations (see instructions)

The books are in the care of KARA COLEMAN
 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, 20 24, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 calendar year 20 23 or
 tax year beginning _____, 20 _____, and ending _____, 20 _____

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.

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Penfield Children's Center, Inc. and Affiliates

Consolidated Financial Statements

December 31, 2023 and 2022

Penfield Children's Center, Inc. and Affiliates

Table of Contents

December 31, 2023 and 2022

	<u>Page</u>
Independent Auditors' Report	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Cash Flows	5
Consolidated Statements of Functional Expenses	7
Notes to Consolidated Financial Statements	9

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 (the Organization), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, 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, 2023 and 2022, 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.

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, the Organization determined to sell the assets of Penfield Montessori Academy and PMA Building, LLC to an unrelated third party and approved a plan to liquidate Penfield Montessori Academy and PMA Building, LLC during 2023. PMA and PMA Building, LLC's activities are presented as discontinued operations in the consolidated financial statements. These entities represent a significant portion of the Organization's operations. Our opinion is not modified with respect to this matter.

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 ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2024 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Milwaukee, Wisconsin
July 10, 2024

Penfield Children's Center, Inc. and Affiliates

Consolidated Statements of Financial Position
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 3,840,175	\$ 2,994,561
Investments	6,056,047	5,157,749
Accounts receivable	101,346	87,732
Grants receivable	1,206,982	1,299,387
Contributions and pledges receivable, net	519,224	1,616,375
Prepaid expenses	70,455	135,382
Operating lease right of use assets	-	11,687
Property and equipment, net	2,045,852	2,140,838
Assets from discontinued operations	<u>374,682</u>	<u>3,733,725</u>
Total assets	<u>\$ 14,214,763</u>	<u>\$ 17,177,436</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 303,333	\$ 433,326
Grant funds received in advance	59,700	-
Operating lease liabilities	-	11,687
Notes payable	134,109	167,509
Liabilities from discontinued operations	<u>20,592</u>	<u>233,129</u>
Total liabilities	<u>517,734</u>	<u>845,651</u>
Net Assets		
Without donor restrictions	10,427,694	11,829,125
With donor restrictions	<u>3,269,335</u>	<u>4,502,660</u>
Total net assets	<u>13,697,029</u>	<u>16,331,785</u>
Total liabilities and net assets	<u>\$ 14,214,763</u>	<u>\$ 17,177,436</u>

See notes to consolidated financial statements

Penfield Children's Center, Inc. and Affiliates

Consolidated Statements of Activities
Years Ended December 31, 2023 and 2022

	2023			2022		
	Without	With Donor	Total	Without	With Donor	Total
	Donor Restrictions	Restrictions		Donor Restrictions	Restrictions	
Public Support and Revenues						
Milwaukee County Department of Human Services	\$ 1,772,476	\$ -	\$ 1,772,476	\$ 1,936,944	\$ -	\$ 1,936,944
U.S.D.A. food program	40,879	-	40,879	38,073	-	38,073
United Way of Greater Milwaukee, Inc.	93,644	333,173	426,817	102,889	367,510	470,399
Service fees and child care	1,727,233	-	1,727,233	1,554,370	-	1,554,370
Contributions and other grants	328,972	878,546	1,207,518	319,561	1,381,195	1,700,756
In-kind contributions	106,418	-	106,418	114,713	-	114,713
Fundraising events	782,846	-	782,846	510,719	-	510,719
Cost of direct benefit to donors	(140,479)	-	(140,479)	(157,165)	-	(157,165)
Investment return, net	635,940	163,654	799,594	(748,316)	(157,596)	(905,912)
Other income	33,163	-	33,163	52,265	-	52,265
Net assets released from restrictions	2,476,948	(2,476,948)	-	2,735,451	(2,735,451)	-
Total public support and revenues	7,858,040	(1,101,575)	6,756,465	6,459,504	(1,144,342)	5,315,162
Expenses						
Program services	6,364,536	-	6,364,536	5,595,839	-	5,595,839
Management and general	1,506,012	-	1,506,012	1,458,753	-	1,458,753
Development and fundraising	551,920	-	551,920	378,489	-	378,489
Total expenses	8,422,468	-	8,422,468	7,433,081	-	7,433,081
Change in Net Assets From Continuing Operations						
Change in net assets from discontinued operations	(837,003)	(131,750)	(968,753)	(1,717,438)	(2,456,926)	(4,174,364)
Change in net assets	(1,401,431)	(1,233,325)	(2,634,756)	(2,691,015)	(3,601,268)	(6,292,283)
Net Assets, Beginning	11,829,125	4,502,660	16,331,785	14,520,140	8,103,928	22,624,068
Net Assets, Ending	\$ 10,427,694	\$ 3,269,335	\$ 13,697,029	\$ 11,829,125	\$ 4,502,660	\$ 16,331,785

See notes to consolidated financial statements

Penfield Children's Center, Inc. and Affiliates

Consolidated Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities		
Change in net assets from continuing operations	\$ (1,666,003)	\$ (2,117,919)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Net realized and unrealized (gain) loss on investments	(672,299)	1,023,434
Depreciation	222,273	275,417
Provision for doubtful accounts	218,805	5,000
Changes in assets and liabilities:		
Accounts receivable	(161,494)	71,617
Grants receivable	92,405	(351,838)
Contributions and pledges receivable	1,026,226	482,078
Prepaid expenses	64,927	(116,414)
Accounts payable and accrued expenses	(68,501)	(18,559)
Grant funds received in advance	59,700	-
	<u>(883,961)</u>	<u>(747,184)</u>
Net cash flows from operating activities		
Cash Flows From Investing Activities		
Proceeds from sale of investments	2,354,576	726,245
Purchases of investments	(2,580,575)	(671,181)
Payments for purchase of property and equipment	(188,779)	(57,324)
Transfers from (to) discontinued operations	2,177,753	(1,262,674)
	<u>1,762,975</u>	<u>(1,264,934)</u>
Net cash flows from investing activities		
Cash Flows From Financing Activities		
Cash received for capital expenditures and endowment	-	5,000
Payments on notes payable	(33,400)	(230,065)
	<u>(33,400)</u>	<u>(225,065)</u>
Net cash flows from financing activities		
Net change in cash and cash equivalents from continuing operations	<u>845,614</u>	<u>(2,237,183)</u>
Cash Flows From Discontinued Operations (Note 2)		
Net cash flows from operating activities	(536,917)	1,536
Net cash flows from investing activities	(175,169)	482,444
	<u>(712,086)</u>	<u>483,980</u>
Net change in cash and cash equivalents from discontinued operations		
Net change in cash and cash equivalents	133,528	(1,753,203)
Cash and Cash Equivalents, Beginning	<u>3,711,647</u>	<u>5,464,850</u>
Cash and Cash Equivalents, Ending	3,845,175	3,711,647
Less cash and cash equivalents from discontinued operations, ending	<u>(5,000)</u>	<u>(717,086)</u>
Cash and Cash Equivalents, From Continuing Operations, Ending	<u>\$ 3,840,175</u>	<u>\$ 2,994,561</u>

See notes to consolidated financial statements

Penfield Children's Center, Inc. and Affiliates

Consolidated Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Supplemental Cash Flow Disclosures		
Cash paid for interest	<u>\$ 6,101</u>	<u>\$ 9,435</u>
Capital additions included in accounts payable	<u>\$ -</u>	<u>\$ 61,492</u>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	<u>\$ (3,922)</u>	<u>\$ (4,170)</u>
Operating leases right-of-use assets obtained in exchange for lease liabilities	<u>\$ -</u>	<u>\$ 19,515</u>

See notes to consolidated financial statements

Penfield Children's Center, Inc. and Affiliates

Consolidated Statement of Functional Expenses
Year Ended December 31, 2023

	Birth to Three	Other Programs	Total Programs	Management and General	Development and Fundraising	Total Continuing Operations	Discontinued Operations	Total
Expenses								
Salaries	\$ 1,746,912	\$ 2,433,903	\$ 4,180,815	\$ 888,568	\$ 348,056	\$ 5,417,439	\$ 1,078,923	\$ 6,496,362
Payroll taxes and benefits	371,011	527,444	898,455	126,980	88,426	1,113,861	242,699	1,356,560
Total salaries and related expenses	2,117,923	2,961,347	5,079,270	1,015,548	436,482	6,531,300	1,321,622	7,852,922
Advertising	-	-	-	50,140	-	50,140	-	50,140
Client transportation	-	1,924	1,924	-	-	1,924	32,215	34,139
Computer equipment	-	9,507	9,507	1,230	-	10,737	5,640	16,377
Conferences and meetings	2,194	22,106	24,300	4,232	7,186	35,718	34,173	69,891
Depreciation	18,850	180,625	199,475	21,751	1,047	222,273	115,408	337,681
Dues and subscriptions	3,940	15,923	19,863	54,362	2,978	77,203	12,741	89,944
Employee transportation	33,560	35,972	69,532	322	4,156	74,010	6,614	80,624
Equipment and parking lot rental	-	3,031	3,031	-	-	3,031	-	3,031
Food service	-	75,496	75,496	7,410	1,132	84,038	66,451	150,489
Insurance	8,643	67,271	75,914	39,083	9,289	124,286	37,032	161,318
Maintenance and repairs	35,823	113,522	149,345	-	-	149,345	58,441	207,786
Other supplies and expenses	6,683	189,085	195,768	49,215	1,401	246,384	15,977	262,361
Postage and office supplies	-	1,007	1,007	8,117	13	9,137	759	9,896
Printing and stationery	-	3,803	3,803	712	871	5,386	-	5,386
Professional services and consultant fees	17,251	166,039	183,290	247,714	15,494	446,498	342,769	789,267
Provision for bad debt	-	147,880	147,880	-	70,925	218,805	4,867	223,672
Telephone	20,407	18,602	39,009	6,176	946	46,131	14,034	60,165
Utilities	1,750	84,372	86,122	-	-	86,122	59,983	146,105
Cost of direct benefit to donors	-	-	-	-	140,479	140,479	-	140,479
Total	2,267,024	4,097,512	6,364,536	1,506,012	692,399	8,562,947	2,128,726	10,691,673
Less cost of direct benefit to donors	-	-	-	-	(140,479)	(140,479)	-	(140,479)
Total expenses	\$ 2,267,024	\$ 4,097,512	\$ 6,364,536	\$ 1,506,012	\$ 551,920	\$ 8,422,468	\$ 2,128,726	\$ 10,551,194

See notes to consolidated financial statements

Penfield Children's Center, Inc. and Affiliates

Consolidated Statement of Functional Expenses
Year Ended December 31, 2022

	Birth to Three	Other Programs	Total Programs	Management and General	Development and Fundraising	Total Continuing Operations	Discontinued Operations	Total
Expenses								
Salaries	\$ 1,609,006	\$ 2,002,515	\$ 3,611,521	\$ 819,105	\$ 291,268	\$ 4,721,894	\$ 1,759,655	\$ 6,481,549
Payroll taxes and benefits	364,424	379,296	743,720	148,183	53,335	945,238	346,787	1,292,025
Total salaries and related expenses	1,973,430	2,381,811	4,355,241	967,288	344,603	5,667,132	2,106,442	7,773,574
Advertising	-	-	-	112,080	-	112,080	-	112,080
Client transportation	-	3,863	3,863	-	-	3,863	44,508	48,371
Computer equipment	-	8,641	8,641	-	-	8,641	41,428	50,069
Conferences and meetings	6,558	58,943	65,501	16,338	280	82,119	64,996	147,115
Depreciation	23,257	224,569	247,826	24,056	3,535	275,417	98,048	373,465
Dues and subscriptions	6,418	31,421	37,839	34,477	3,121	75,437	25,178	100,615
Employee transportation	18,677	20,955	39,632	-	896	40,528	4,805	45,333
Equipment and parking lot rental	-	3,556	3,556	-	-	3,556	-	3,556
Food service	-	68,470	68,470	4,147	846	73,463	110,382	183,845
Insurance	12,209	68,091	80,300	39,560	1,852	121,712	41,573	163,285
Maintenance and repairs	14,535	102,308	116,843	-	-	116,843	91,063	207,906
Other supplies and expenses	9,615	284,883	294,498	23,727	-	318,225	15,658	333,883
Postage and office supplies	-	6,311	6,311	2,967	285	9,563	3,383	12,946
Printing and stationery	-	-	-	872	647	1,519	488	2,007
Professional services and consultant fees	9,904	124,491	134,395	227,698	13,603	375,696	408,946	784,642
Provision for bad debt	-	-	-	-	5,000	5,000	-	5,000
Telephone	24,115	21,653	45,768	5,543	3,821	55,132	12,454	67,586
Utilities	13,073	74,082	87,155	-	-	87,155	58,658	145,813
Cost of direct benefit to donors	-	-	-	-	157,165	157,165	1,213	158,378
Total	2,111,791	3,484,048	5,595,839	1,458,753	535,654	7,590,246	3,129,223	10,719,469
Less cost of direct benefit to donors	-	-	-	-	(157,165)	(157,165)	(1,213)	(158,378)
Total expenses	\$ 2,111,791	\$ 3,484,048	\$ 5,595,839	\$ 1,458,753	\$ 378,489	\$ 7,433,081	\$ 3,128,010	\$ 10,561,091

See notes to consolidated financial statements

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

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), 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. In 2023, the Board of Directors approved a plan to liquidate PMA and PMA Building, LLC. PMA and PMA Building, LLC are accounted for under the liquidation basis of accounting. See Note 2 for information regarding the liquidation plan and presentation within these consolidated financial statements. 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.

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 children of all abilities. Effective June 15, 2023, the board of directors voted to liquidate because of continuing losses and unsustainable reimbursement rates that make a return to profitable operations unlikely. PMA is treated as discontinued operations for reporting purposes, in accordance with current accounting guidance. See Note 2 for additional information.

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. In June 2023, the board of directors voted to liquidate PMA and subsequently place PMA Building for sale. The building sold in December 2023. PMA Building, LLC is treated as a discontinued operation for financial reporting purposes, in accordance with current accounting guidance. See Note 2 for additional information.

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

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.

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

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.

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 contacts. Management determines the need for an allowance for doubtful accounts based on historical collection experience and a review of current grants receivable balances. No allowance for doubtful accounts is considered necessary as of December 31, 2023 and 2022.

Contributions and Pledges Receivable

Unconditional promises to give (contributions and pledges receivable) 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, 2023 and 2022

Leases

Operating lease right-of-use assets represent the Organization's right to use an underlying asset for the lease term, while operating lease liabilities represent the Organization's obligation to make lease payments arising from the leases. Operating right-of-use assets and operating lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term.

In determining the discount rate used to measure the right-of-use assets and lease liabilities, the Organization uses the rate implicit in the lease, or if not readily available, the Organization uses a risk-free rate based on U.S. Treasury notes or bond rates for a similar term.

The Organization made significant assumptions and judgments in applying the requirements of Topic 842. In particular, the Organization:

- Evaluated whether a contract contains a lease, by considering factors such as whether the Organization obtained substantially all rights to control an identifiable underlying asset and whether the lessor has substantive substitution rights;
- Determined whether contracts contain embedded leases;
- Evaluated leases with similar commencement dates, lengths of term, renewal options or other contract terms, which therefore meet the definition of a portfolio of leases, whether to apply the portfolio approach to such leases; and
- Allocated consideration in the contract between lease and nonlease components.

The Organization has several leases with related parties. PCC Building, LLC leases a parking lot to Penfield. VMMS Building Corp. leases a building to Penfield. The right-of-use assets, lease liabilities, rent revenue and rent expense associated with these leases are fully eliminated at consolidation.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, including property and equipment 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.

In 2022, management identified events and changes in circumstances that indicated the carrying amount of a building and its improvements which PMA operated may not be recoverable. Management obtained an appraised value of \$2,375,000 which approximates the fair value of the property. The net book value at the time of impairment was \$3,911,526. Management recorded an impairment loss of \$1,536,526 during the year ended December 31, 2022. A loss of \$296,053 was recorded in 2023 as a result of the sale of building.

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.

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

Advertising Expense

It is the policy of the Organization to expense advertising as it is incurred. Advertising included in continuing operations for the years ended December 31, 2023 and 2022 was \$50,140 and \$112,080, respectively. There was no advertising included in discontinued operations.

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, 2023 and 2022.

Net Assets With Donor Restrictions. Net assets that are 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, 2023 and 2022 there was approximately \$3,253,254 and \$3,528,000 of conditional grant revenue, respectively, which is expected to be recognized in subsequent years when the conditions are met.

During 2023 and 2022, \$59,700 and \$0, 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 child care fees collected in advance of providing the related services. The Organization received \$0 and \$97,272 of grant funds received in advance related to discontinued operations as of December 31, 2023 and 2022, respectively, from cash received from state aid in advance of the upcoming semester at PMA in 2022. The amounts are expected to be recognized in the subsequent year when the criteria for recognition are met.

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.

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

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 from continuing operations is approximately 46.2% and 38.2% in 2023 and 2022, respectively, from the stated gross charges. There were no stated or implied discounts for service fees revenue from discontinued operations in 2023 and 2022. Revenue recognized from service fees from continuing operations was \$564,694 and \$476,579 in 2023 and 2022, respectively. Revenue recognized from service fees from discontinued operations was \$72,499 and \$72,901 in 2023 and 2022, 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 from continuing operations was \$513,634 and \$434,772 in 2023 and 2022, respectively. Revenue recognized from child care from discontinued operations was \$16,578 and \$30,431 in 2023 and 2022, respectively.

Accounts receivable for service fees and child care from continuing operations consist of the following as of December 31:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Service fees	\$ 34,155	\$ 54,610	\$ 57,961
Child care	50,299	23,330	23,840
	<u>\$ 84,454</u>	<u>\$ 77,940</u>	<u>\$ 81,801</u>

Accounts receivable for child care from discontinued operations operations consist of the following as of December 31:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Child care	\$ -	\$ 635	\$ 1,690

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.

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

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 from continuing operations are \$648,905 and \$643,019 in 2023 and 2022, respectively. There was no revenue recognized from other grants within service fees and child care from discontinued operations in 2023 or 2022.

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 2019 and prior have passed the statute of limitations for audit by the Internal Revenue Service. The State of Wisconsin information returns for 2018 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, 2023 and 2022 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, 2023 and 2022, the Organization has not accrued tax, interest or penalties related to uncertain tax positions.

Volunteer Services

Donated services are reported as contributions when the services (a) create or enhance nonfinancial 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 2023 and 2022, the Organization benefited from 1,288 and 1,937 volunteer hours for continuing operations, 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. 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, 2023 and 2022

Functional Allocation of Expenses

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

Estimates

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

Liquidity and Availability of Resources

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

	<u>2023</u>	<u>2022</u>
Total assets, at year-end	\$ 14,214,763	\$ 17,177,436
Less nonfinancial assets:		
Property and equipment, net	(2,045,852)	(4,554,883)
Operating lease right of use asset	-	(15,583)
Prepaid expenses	<u>(70,455)</u>	<u>(159,393)</u>
Financial assets, at year-end	12,098,456	12,447,577
Less those unavailable for general expenditures within one year, due to:		
Restricted by donor with purpose restrictions	-	(900,000)
Contributions and pledges receivable subject to appropriation and satisfaction of donor's restriction	(44,000)	(111,925)
Contributions and pledges receivable collectible beyond one year without a purpose restriction	(97,000)	(25,000)
Long-term investments	<u>(6,056,047)</u>	<u>(5,157,749)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,901,409</u>	<u>\$ 6,252,903</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 2024; Milwaukee County Department of Human Services for \$1,544,450; and year three of the SAMHSA four year grant for \$800,000. A portion of long-term investments is available for operations, if needed. In addition, the Organization has a \$500,000 line of credit available to be used, if needed. The assets within discontinued operations will be transferred to Penfield to be available to use in operations and included in the table above.

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

Adopted Accounting Pronouncement

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments—Credit Losses (Topic 326)*. The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU. The CECL methodology utilizes a lifetime "expected credit losses" measurement objective for the recognition of credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods in current accounting principles generally accepted in the United States of America, which generally require that a loss be incurred before it is recognized. On January 1, 2023, the Organization adopted the ASU under the modified retrospective approach. There was no adjustment to net assets upon adoption. CECL did not have a significant impact on the consolidated financial statements.

Subsequent Events

Management has evaluated subsequent events through July 10, 2024, the date which the consolidated financial statements were approved and available to be issued.

2. Discontinued Operations

Management evaluated the financial position of the Organization, as well as its subsidiaries in March 2023. PMA was operating at a deficit and required additional resources of the Organization. Based on the continued deficit changes in net assets and limited liquid funds, management announced its plans in March 2023 to close PMA after completing the 2022-2023 school year and sell the PMA Building, LLC assets. The Organization recorded an impairment loss on the PMA Building, LLC's building and building improvements of \$1,536,526 and recorded a loss on pledges receivable that were for the operations of PMA of \$1,500,000 during 2022. Management's plans alleviated any concerns that raised substantial doubt about the ability of the Organization to continue as a going concern.

In June 2023, the Board of Directors approved a resolution to close PMA and PMA Building, LLC. In 2023 the building was sold. The receivables outstanding at December 31, 2023 are reimbursements based on expenditures incurred in prior years and considered collectible. Any collections received in excess of accounts payable and accrued liabilities will be disbursed to Penfield. PMA and PMA Building, LLC are being treated as discontinued operations for financial reporting purposes in accordance with current accounting guidance.

The detail of the assets and liabilities from discontinued operations included in the consolidated statements of financial position as of December 31 are detailed below:

	<u>2023</u>	<u>2022</u>
Assets from discontinued operations:		
Cash and cash equivalents	\$ 5,000	\$ 717,086
Accounts receivable	3,360	8,036
Grants receivable	366,322	556,276
Contributions and pledges receivable, net	-	10,375
Prepaid expenses	-	24,011
Operating lease right of use assets	-	3,896
Property and equipment, net	-	2,414,045
Total assets from discontinued operations	<u>\$ 374,682</u>	<u>\$ 3,733,725</u>
Liabilities from discontinued operations:		
Accounts payable and accrued expenses	20,592	131,961
Grant funds received in advance	-	97,272
Operating lease liability	-	3,896
Total liabilities from discontinued operations	<u>\$ 20,592</u>	<u>\$ 233,129</u>

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

The detail for the change in net assets from discontinued operations presented on the consolidated statements of activities for the years ending December 31:

	<u>2023</u>	<u>2022</u>
Public support and revenues without donor restrictions from discontinued operations:		
U.S.D.A. food program	\$ 58,870	\$ 95,039
United Way of Greater Milwaukee, Inc.	2,250	9,645
Service fees and child care	89,077	103,332
Contributions and other grants	19,422	130,933
School grants	1,243,930	1,528,996
In-kind contributions	1,002	11,055
Cost of direct benefit to donors	-	(1,213)
Impairment loss on property	-	(1,536,526)
Other income	28,766	8,030
Net assets released from restrictions	<u>144,459</u>	<u>1,061,281</u>
Total public support and revenues without donor restrictions from discontinued operations	<u>1,587,776</u>	<u>1,410,572</u>
Expenses from discontinued operations:		
Program services	1,886,027	3,015,953
Management and general	<u>242,699</u>	<u>112,057</u>
Total expenses from discontinued operations	<u>2,128,726</u>	<u>3,128,010</u>
Change in net assets without donor restrictions from discontinued operations without donor restrictions before loss on disposal of property and equipment	\$ (540,950)	\$ (1,717,438)
Loss on disposal of property and equipment	<u>(296,053)</u>	<u>-</u>
Change in net assets without donor restrictions from discontinued operations	<u>(837,003)</u>	<u>(1,717,438)</u>
Public support and revenues with donor restrictions from discontinued operations:		
Contributions and other grants	12,709	104,355
Loss on donor restricted contributions	-	(1,500,000)
Net assets released from restrictions	<u>(144,459)</u>	<u>(1,061,281)</u>
Change in net assets with donor restrictions from discontinued operations	<u>(131,750)</u>	<u>(2,456,926)</u>
Change in net assets from discontinued operations	<u>\$ (968,753)</u>	<u>\$ (4,174,364)</u>

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

The following is certain cash flow information for the years ending December 31 related to discontinued operations.

	<u>2023</u>	<u>2022</u>
Cash Flows From Discontinued Operating Activities		
Loss from discontinued operations	\$ (968,753)	\$ (4,174,364)
Adjustments to reconcile net income to cash flows from discontinued operating activities:		
Depreciation	115,408	98,048
Loss on sale of fixed assets	296,053	-
Loss on donor restricted contributions	-	1,500,000
Impairment loss on property and equipment	-	1,536,526
Provision for doubtful accounts	4,867	-
Changes in assets and liabilities:		
Accounts receivable	4,676	4,657
Grants receivable	185,087	614,736
Contributions and pledges receivable	10,375	479,283
Prepaid expenses and other assets	24,011	(10,943)
Accounts payable and accrued expenses	(111,369)	(43,387)
Deferred revenue	(97,272)	(3,020)
Net cash flows from discontinued operating activities	<u>(536,917)</u>	<u>1,536</u>
Cash Flows From Discontinued Investing Activities		
Purchases of fixed assets	(474,707)	(780,230)
Proceeds from disposal of fixed assets	2,477,291	-
Net transfers (to) from continuing operations	<u>(2,177,753)</u>	<u>1,262,674</u>
Net cash flows from discontinued investing activities	<u>(175,169)</u>	<u>482,444</u>
Net change in cash and cash equivalents from discontinued operations	<u>\$ (712,086)</u>	<u>\$ 483,980</u>

3. 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.

4. Investments

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

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.

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

As of December 31, 2023 and 2022, all investments are classified as Level 1 investments, for which fair value is measured based on quoted prices in active markets for identical assets. The fair value of investment securities by major security type and class of security as of December 31 is as follows:

	<u>2023</u>	<u>2022</u>
Classification type:		
Bond funds	\$ 2,558,801	\$ 2,021,065
Equity funds	3,380,136	3,043,493
Real asset funds	117,110	93,191
Total	<u>\$ 6,056,047</u>	<u>\$ 5,157,749</u>

5. Contributions and Pledges Receivable

Contributions and pledges receivable included with continuing operations are expected to be realized in the following periods:

	<u>2023</u>	<u>2022</u>
Less than one year	\$ 447,924	\$ 1,623,247
One to five years	97,000	71,250
Subtotal	544,924	1,694,497
Less discount for present value	(25,700)	(78,122)
Total	<u>\$ 519,224</u>	<u>\$ 1,616,375</u>

The Organization incurred bad debt expense to write-off contributions and pledges receivable from continuing operations of \$70,925 and \$5,000 in 2023 and 2022, respectively.

The Organization wrote off an outstanding pledge balance in 2022 for a donor restricted pledge to support the school and is no longer expected to be collected. The loss is presented as a loss on donor restricted contributions within discontinued operations (Note 2). The Organization did not have contributions and pledges receivable from discontinued operations at December 31, 2023. The Organization had \$10,375 of contributions and pledges receivable included in discontinued operations at December 31, 2022, which was collected in 2023.

6. Property and Equipment and Depreciation

Depreciation 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

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

Property and equipment included within continuing operations are summarized as follows:

	<u>2023</u>	<u>2022</u>
Land	\$ 318,440	\$ 318,440
Building and improvements	5,703,881	5,520,262
Parking lot and land improvements	1,356,621	1,356,621
Office equipment	783,130	790,685
Software	354,863	354,863
Vehicles	112,553	112,553
Other	40,000	40,000
Construction in progress	5,000	57,276
Subtotal	8,674,488	8,550,700
Less accumulated depreciation	<u>(6,628,636)</u>	<u>(6,409,862)</u>
Total	<u>\$ 2,045,852</u>	<u>\$ 2,140,838</u>

Depreciation from continuing operations was \$222,273 in 2023 and \$275,417 in 2022.

Property and equipment included within discontinued operations are summarized as follows:

	<u>2023</u>	<u>2022</u>
Land, building and improvements	\$ -	\$ 3,579,498
Parking lot and land improvements	-	36,836
Office equipment	-	18,427
Subtotal	-	3,634,761
Less accumulated depreciation	-	<u>(1,220,716)</u>
Total	<u>\$ -</u>	<u>\$ 2,414,045</u>

Depreciation from discontinued operations was \$115,408 in 2023 and \$98,048 in 2022.

7. Leases

The Organization leases certain office equipment and a parking lot under operating lease agreements. Remaining leases at December 31, 2023 were short-term leases and no right-of-use assets and liabilities were recorded at December 31, 2023. Operating right-of-use assets and liabilities were \$11,687 at December 31, 2022. Lease expense was \$15,583 and \$3,922 from continuing operations in 2023 and 2022, respectively. The Organization has no remaining leases related to its discontinued operations.

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

8. Net Assets With Donor Restrictions

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

	<u>2023</u>	<u>2022</u>
Investment earnings on endowment	\$ 217,554	\$ 53,900
Purpose and time restricted contributions	2,234,181	3,631,160
Endowment Fund, principal to be invested in perpetuity, income to be used for general operating purposes	<u>817,600</u>	<u>817,600</u>
Total	<u>\$ 3,269,335</u>	<u>\$ 4,502,660</u>

9. 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% of the endowment base annually. The payout will not reduce the endowment principal below its original contributed value.

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

	<u>2023</u>		
	<u>Original Gift</u>	<u>Accumulated Gain</u>	<u>Total Endowment</u>
Donor restricted	\$ 817,600	\$ 217,554	\$ 1,035,154
	<u>2022</u>		
	<u>Original Gift</u>	<u>Accumulated Gain</u>	<u>Total Endowment</u>
Donor restricted	\$ 817,600	\$ 53,900	\$ 871,500

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

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, 2022	\$ 812,600	\$ 211,496	\$ 1,024,096
Contributions	5,000	-	5,000
Investment loss, net of fees	-	(157,596)	(157,596)
Endowment net assets, as of December 31, 2022	<u>\$ 817,600</u>	<u>\$ 53,900</u>	<u>\$ 871,500</u>
Endowment net assets, as of January 1, 2023	\$ 817,600	\$ 53,900	\$ 871,500
Investment gain, net of fees	-	163,654	163,654
Endowment net assets, as of December 31, 2023	<u>\$ 817,600</u>	<u>\$ 217,554</u>	<u>\$ 1,035,154</u>

10. 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. For 2021, the ERC equaled 70% 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 was included in contributions and other grants in the consolidated statement of activities for the year ended December 31, 2021. As of December 31, 2023 and 2022, the Organization had an ERC receivable from continuing operations of \$720,128 included in grants receivable on the consolidated statements of financial position. As of December 31, 2023 and 2022, the Organization had an ERC receivable from discontinued operations of \$189,236 and \$395,549, respectively.

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

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 78% and 52%, of the Organization's total public support and revenues from discontinued operations is from school grants for 2023 and 2022, respectively. The Milwaukee County contract accounts for 26% and 36% of total public support and revenues from continuing operations for 2023 and 2022, respectively.

Two donors account for 51% and 60% of the Organization's total outstanding contributions and pledges receivable from continuing operations at December 31, 2023 and 2022, respectively. In 2023 and 2022, the aforementioned donors accounted for 6% of total public support and revenues from continuing operations.

Grants receivable from discontinued operations at December 31, 2023 and 2022 consist of amounts due from two funders.

12. Units of Service

Milwaukee County contracted to purchase 85,000 and 110,000 units of service from the Organization under the Work and Day - Children's Services program contract for 2023 and 2022, respectively. Additionally, the Organization received additional referrals during 2023 and 2022 resulting in more units of service being provided than originally contracted. The Organization provided 98,706 and 114,029 units of service for clients in 2023 and 2022, respectively. All units of service provided were from continuing operations in 2023 and 2022.

13. Donated Services, Materials and Equipment

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

	<u>2023</u>	<u>2022</u>
Advertising	\$ 30,820	\$ 41,598
Fundraising events, supplies	74,986	72,615
Consulting services	1,614	11,555
Total	<u>\$ 107,420</u>	<u>\$ 125,768</u>

Fundraising items donated and sold in auctions at fundraising events are recorded at their realized value, which approximates fair value, of \$74,986 and \$72,615 for 2023 and 2022, respectively, and included in-kind contributions from continuing operations on the consolidated statements of activities.

Contributed advertising services consist of advertisements presented to the public at no cost to the Organization. Contributed advertising services are valued and are reported at the estimated fair value in the consolidated financial statements based on current market rates for similar advertising services.

Contributed consulting services consist of professional services from consultants advising the Organization on various matters. Contributed consulting services are valued and are reported at the estimated fair value in the consolidated financial statements based on current rates for similar services. There were \$1,002 and \$11,555 of donated consulting services and materials to PMA recorded within discontinued operations in 2023 and 2022, respectively.

Penfield Children's Center, Inc. and Affiliates

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

14. Employee Retirement Plan

The Organization has a 403(b) employee retirement plan for eligible employees. The Organization has discretion to match employee contributions up to 3% of the employee's gross wages. The Organization contributed \$100,048 and \$74,554 to the plan from continuing operations during 2023 and 2022, respectively. The Organization contributed \$18,090 and \$22,046 to the plan from discontinued operations during 2023 and 2022, respectively.

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%. 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, 2023 and 2022.

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 \$134,109 and \$167,509 at December 31, 2023 and 2022, respectively, and is presented within continuing operations. Interest expense was \$6,101 and \$9,435 in 2023 and 2022, respectively. The parking lot was placed into service in 2020. Monthly interest payments are due with an interest rate of LIBOR plus 1.25% for the first 12 months of the note. Beginning August 1, 2020, the interest rate changed to a fixed 3.95% 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. During March 2022, the Organization prepaid \$200,000 of principal on the notes payable. The remaining principal on the note payable of \$134,109 was paid in 2024.

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.

The Organization received funds under the Paycheck Protection Program (PPP) of \$1,276,700 that was recorded as grant revenue in prior years. The Organization has received notice from the Small Business Administration (SBA) that it has forgiven all of the PPP proceeds received by the Organization. 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 credits claimed under the ERC remain subject to audit until 2027. 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.