Sojourner Family Peace Center, Inc.

Consolidated Financial Statements and
Supplementary Information

September 30, 2023 and 2022

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Independent Auditors' Report

To the Board of Directors of
Sojourner Family Peace Center, Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Sojourner Family Peace Center, Inc. (the Organization), which comprise the consolidated statement of financial position as of September 30, 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 September 30, 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.

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 financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal and state awards and supplementary information, as identified in the table of contents, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and the *State Single Audit Guidelines*, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Report on Consolidating Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 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
February 7, 2024

Sojourner Family Peace Center, Inc.

Consolidated Statements of Financial Position
September 30, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	$ 1,355,402	$ 1,033,309
Short-term investments	2,981,647	2,778,727
Grants receivable	366,854	1,141,203
United Way receivable	-	104,504
Contributions receivable	288,243	477,923
Prepaid expenses	151,162	160,634
Total current assets	5,143,308	5,696,300
Property and Equipment, Net	16,100,545	16,546,021
Noncurrent Assets		
Long-term investments	625,620	595,595
Contributions receivable, long-term, net of discount	22,875	9,375
Total noncurrent assets	648,495	604,970
Total assets	$ 21,892,348	$ 22,847,291
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 70,235	$ 112,049
Payroll deductions	122,259	85,964
Accrued vacation	110,449	83,666
Deferred revenue	56,242	48,203
CW commitment to construction*	190,000	190,000
Total current liabilities	549,185	519,882
Long-Term Liabilities		
CW commitment to construction	2,090,000	2,280,000
Total liabilities	2,639,185	2,799,882
Net Assets		
Without donor restrictions:		
Undesignated	15,329,210	16,147,565
Board-designated	2,490,427	2,305,014
Total net assets without donor restrictions	17,819,637	18,452,579
With donor restrictions	1,433,526	1,594,830
Total net assets	19,253,163	20,047,409
Total liabilities and net assets	$ 21,892,348	$ 22,847,291

* Children's Hospital and Health System, Inc. d/b/a Children's Wisconsin (CW)

Sojourner Family Peace Center, Inc.

Consolidated Statements of Activities
Years Ended September 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without donor Restrictions	With donor Restrictions	Total
Revenues						
Federal and state grants	$ 1,882,674	$ -	$ 1,882,674	$ 2,091,415	$ -	$ 2,091,415
Other grants	127,520	-	127,520	101,488	-	101,488
United Way contributions	90,442	132,183	222,625	68,679	139,337	208,016
Contributions	2,725,030	949,801	3,674,831	2,371,860	937,715	3,309,575
In-kind contributions	404,070	-	404,070	125,280	-	125,280
Special events	468,571	-	468,571	294,095	-	294,095
Investment return, net	231,489	30,970	262,459	(389,288)	(55,596)	(444,884)
Partner revenue	456,506	-	456,506	426,031	-	426,031
Miscellaneous revenue	36,888	-	36,888	18,401	-	18,401
Family Peace Center noncash grants	190,000	-	190,000	190,000	-	190,000
Net assets released from restrictions	1,274,258	(1,274,258)	-	1,454,699	(1,454,699)	-
Total revenues	7,887,448	(161,304)	7,726,144	6,752,660	(433,243)	6,319,417
Expenses						
Program:						
Shelter	1,417,194	-	1,417,194	1,220,888	-	1,220,888
Children's programming	282,242	-	282,242	218,865	-	218,865
Courthouse advocacy program	954,300	-	954,300	503,029	-	503,029
Family advocacy support services	1,197,734	-	1,197,734	1,244,250	-	1,244,250
Community Domestic Abuse Advocacy Program (CDAAP)	598,450	-	598,450	704,663	-	704,663
Family Peace Center	1,552,364	-	1,552,364	1,324,710	-	1,324,710
Management and general	1,268,118	-	1,268,118	1,212,981	-	1,212,981
Development	1,249,988	-	1,249,988	976,851	-	976,851
Total expenses	8,520,390	-	8,520,390	7,406,237	-	7,406,237
Change in net assets	(632,942)	(161,304)	(794,246)	(653,577)	(433,243)	(1,086,820)
Net Assets, Beginning	18,452,579	1,594,830	20,047,409	19,106,156	2,028,073	21,134,229
Net Assets, Ending	$ 17,819,637	$ 1,433,526	$ 19,253,163	$ 18,452,579	$ 1,594,830	$ 20,047,409

See notes to consolidated financial statements

Sojourner Family Peace Center, Inc.

Consolidated Statements of Cash Flows
Years Ended September 30, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Change in net assets	$ (794,246)	$ (1,086,820)
Adjustments to reconcile change in net assets from operations to net cash flows from operating activities:		
Net realized and unrealized (gain) loss on investments	(118,118)	361,234
Depreciation	645,852	654,378
Forgiveness of CW bridge loan from Family Peace Center Grant	(190,000)	(190,000)
Changes in assets and liabilities:		
Receivables	1,055,033	653,961
Prepaid expenses	9,472	43,414
Accounts payable	(41,814)	(2,853)
Payroll deductions	36,295	(3,132)
Accrued vacation	26,783	8,458
Deferred revenue	8,039	9,824
Net cash flows from operating activities	637,296	448,464
Cash Flows From Investing Activities		
Proceeds from sale of investments	1,046,644	2,069,032
Purchase of investments	(1,161,471)	(2,009,980)
Purchase of property and equipment	(200,376)	(97,905)
Net cash flows from investing activities	(315,203)	(38,853)
Net change in cash and cash equivalents	322,093	409,611
Total Cash and Cash Equivalents, Beginning	1,033,309	623,698
Total Cash and Cash Equivalents, Ending	$ 1,355,402	$ 1,033,309

Sojourner Family Peace Center, Inc.

Consolidated Statement of Functional Expenses
Year Ended September 30, 2023

	Program									
	Shelter	Children's Programming	Courthouse Advocacy Program	Family Advocacy Support Services	CDAAP	Family Peace Center	Total	Management and General	Development	Total
Salaries, payroll taxes and fringe benefits	$ 903,086	$ 200,476	$ 621,567	$ 751,625	$ 506,921	$ 671,639	$ 3,655,314	$ 973,493	$ 746,440	$ 5,375,247
Staff	2,462	3,613	1,095	6,276	1,654	3,884	18,984	10,842	1,605	31,431
Supplies	6,665	1,434	4,816	4,794	3,033	5,930	26,672	61,527	17,724	105,923
Telephone	6,272	1,295	7,476	7,926	4,120	11,087	38,176	5,286	2,087	45,549
Professional services	13,375	17,165	7,687	9,680	6,727	35,665	90,299	84,310	201,680	376,289
Client assistance	78,444	13,801	4,230	73,542	49,643	10,036	229,696	496	217	230,409
Occupancy	180,347	24,822	21,016	48,056	14,632	362,809	651,682	68,123	41,996	761,801
Furniture	5,057	-	-	-	-	720	5,777	222	-	5,999
Insurance	13,203	3,450	6,321	8,730	5,415	20,160	57,279	6,267	8,524	72,070
Depreciation	149,949	16,186	5,372	38,121	6,305	378,130	594,063	34,277	17,512	645,852
In-kind contributions	58,334	-	274,720	-	-	-	333,054	23,275	-	356,329
Fundraising	-	-	-	-	-	-	-	-	212,203	212,203
Sub recipient expense	-	-	-	248,984	-	52,304	301,288	-	-	301,288
Total expenses	$ 1,417,194	$ 282,242	$ 954,300	$ 1,197,734	$ 598,450	$ 1,552,364	$ 6,002,284	$ 1,268,118	$ 1,249,988	$ 8,520,390

See notes to consolidated financial statements

Sojourner Family Peace Center, Inc.

Consolidated Statement of Functional Expenses
Year Ended September 30, 2022

	Program									
	Shelter	Children's Programming	Courthouse Advocacy Program	Family Advocacy Support Services	CDAAP	Family Peace Center	Total	Management and General	Development	Total
Salaries, payroll taxes and fringe benefits	$ 780,868	$ 137,376	$ 398,271	$ 817,548	$ 621,158	$ 364,808	$ 3,120,029	$ 1,022,054	$ 670,538	$ 4,812,621
Staff	3,288	9,084	1,475	5,174	2,508	14,938	36,467	17,009	3,219	56,695
Supplies	6,230	2,489	1,920	5,386	2,802	10,670	29,497	15,985	23,371	68,853
Telephone	7,733	603	5,128	10,277	6,425	11,757	41,923	5,655	785	48,363
Professional services	13,604	21,940	6,110	14,295	7,566	141,365	204,880	28,328	47,497	280,705
Client assistance	53,053	7,159	1,884	20,954	39,409	2,193	124,652	542	18	125,212
Occupancy	157,163	19,790	16,031	54,257	13,040	383,577	643,858	51,990	37,408	733,256
Furniture	1,943	-	-	-	-	-	1,943	-	-	1,943
Insurance	12,157	1,956	3,666	10,515	5,113	18,305	51,712	6,458	3,591	61,761
Depreciation	149,987	18,468	3,301	43,451	6,642	377,097	598,946	39,785	15,647	654,378
In-kind contributions	34,862	-	65,243	-	-	-	100,105	25,175	-	125,280
Fundraising	-	-	-	-	-	-	-	-	174,777	174,777
Sub recipient expense	-	-	-	262,393	-	-	262,393	-	-	262,393
Total expenses	$ 1,220,888	$ 218,865	$ 503,029	$ 1,244,250	$ 704,663	$ 1,324,710	$ 5,216,405	$ 1,212,981	$ 976,851	$ 7,406,237

See notes to consolidated financial statements

1. Summary of Significant Accounting Policies

Nature of Activities

The mission of Sojourner Family Peace Center, Inc. (SFPC) is to transform lives impacted by domestic violence. SFPC's goal is to ensure the safety of victims of family violence and provide a pathway out of violence for victims and abusers through opportunities to make positive and lasting changes for themselves and their children. SFPC's programs address domestic violence on five fronts: services for adult victims, child victims and abusers; a domestic violence hotline; courthouse/legal services; shelter service and community education. This holistic approach reaches the victims, abusers, the community and the systems established to address domestic violence in our community.

Sojourner Foundation, Inc. (the Foundation) was created in April 2014 to provide philanthropic support for SFPC through the solicitation, receipt, administration and disbursement of charitable contributions for the promotion of peaceful communities, domestic respect and a life free from violence. The business affairs of the Foundation are managed by its Board of Directors subject to and in compliance with the Articles of Incorporation, Bylaws and the Wisconsin Nonstock Corporation Law. The sole member of the Foundation is SFPC.

Principles of Presentation

The accompanying consolidated financial statements include the accounts of SFPC and the Foundation (collectively, the Organization) and have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under these principles, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets with donor restrictions are created by donor-imposed restrictions on their use. The Board has designated a portion of its net assets without donor restrictions (Note 7). All significant intercompany accounts and transactions have been eliminated in consolidation. In addition, the Organization is required to present a consolidated statement of cash flows.

Cash and Cash Equivalents

The Organization defines cash equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less.

As of September 30, cash and cash equivalents consisted of the following:

	2023	2022
Petty cash	$ 900	$ 900
Checking accounts	553,230	576,257
Money market funds	801,272	456,152
Total cash and cash equivalents	$ 1,355,402	$ 1,033,309

Investments

The Organization carries investments in the consolidated statements of financial position at fair value. Realized and unrealized gains and losses, net of fees, are included in the change in net assets in the accompanying consolidated statements of activities as investment return, net. Donated assets are recorded at fair value at the date of donation or, if sold immediately after receipt, at the amount of sales proceeds received (which are considered a fair measure of the value at the date of donation). The Organization records the change of ownership of bonds and stocks on the day a trade is made. Investments held as part of donor restricted endowment funds are shown as long-term investments.

Investment earnings that are restricted by the donor are initially reported as net assets with donor restrictions and presented as net assets released from restrictions when any restrictions are met.

Grants Receivable

Grants receivable represents the outstanding balance of public grants due to the Organization based upon allowable costs incurred. Management determines the need for an allowance for doubtful accounts based on historical collection experience and a review of current receivable balances. No allowance for doubtful accounts is considered necessary as of September 30, 2023 and 2022. No accounts were written off during the years ended September 30, 2023 and 2022.

United Way Receivable and Contributions Receivable

Unconditional promises to give made to the Organization are recorded in the year the pledge is made. Current contributions receivable are expected to be collected during the next year and are recorded at net realizable value. An allowance for uncollectible promises to give is determined based on experience. No allowance was deemed necessary as of September 30, 2023 and 2022. The discount on long-term contributions receivable is computed using the estimated rate of borrowing applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. The discount is included in the noncurrent portion of the contribution receivable on the consolidated statements of financial position. The rate used to discount contributions receivable as of September 30, 2023 and 2022 were 8.50% and 6.25%, respectively.

Net contributions receivable are summarized as follows at September 30:

	2023	2022
Total contributions receivable	$ 313,243	$ 487,923
Less unamortized discount	(2,125)	(625)
Net contributions receivable	$ 311,118	$ 487,298

Gross contributions receivable at September 30 are estimated to be collected as follows:

	2023	2022
Less than one year	$ 288,243	$ 477,923
Within one to five years	25,000	10,000
Total	$ 313,243	$ 487,923

Property and Equipment

All property and equipment are stated at cost or, if donated, at the approximate fair value at the date of the donation. All acquisitions of property and equipment in excess of $1,500 and an expected useful life greater than one year and all expenditures for improvements and betterments that materially prolong the useful lives of assets are capitalized.

Donated property and equipment are recorded as increases in net assets without donor restrictions at their estimated fair value as of the date received, unless restricted by donor. Contributions of cash that must be used to acquire or construct property and equipment are reported as contributions with donor restrictions and released from restriction to net assets without donor restrictions when the long-lived asset is placed into service unless otherwise required by the donor.

Depreciation is computed using the straight line method based on estimated useful lives. The categories of property and equipment can be summarized as of September 30:

	2023	2022
Land	$ 809,226	$ 809,226
Buildings	18,657,114	18,657,114
Furnishings and equipment	1,519,243	1,334,240
Vehicles	22,501	22,501
Construction in progress	-	56,942
Total property and equipment	21,008,084	20,880,023
Less accumulated depreciation	(4,907,539)	(4,334,002)
Net property and equipment	$ 16,100,545	$ 16,546,021

Impairment of Long-Lived Assets

The Organization regularly evaluates its long-lived assets for indicators of possible impairment. Should impairment exist, the impairment loss would be measured based on the excess carrying value of the asset over the asset's fair value. No impairment losses were recognized during the years ended September 30, 2023 and 2022.

Deferred Revenue

Deferred revenue consists primarily of prepaid partner rent. Partner rent revenue is recognized ratably over the lease period.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization are classified and reported as follows:

Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations. The Board has designated a portion of its net assets without donor restrictions (Note 7).

With Donor Restrictions - Net assets subject to donor-imposed stipulations that either expire by passage of time, can be fulfilled and removed by actions of the Organization pursuant to those stipulations or are required to be held in perpetuity (Note 8).

Revenues

Federal, State and Other Grants

The Organization receives grants from public government entities in which the Organization is requested to perform services specific to those clients impacted by domestic violence. Revenue is recognized in the accounting period when the allowable expenses for the grant are incurred. Revenue from grants are reported as without donor restrictions when the barriers are overcome and revenue is earned. The Organization submits the request for reimbursement to the funder as all public government contracts are compensated on a reimbursable basis. As of September 30, 2023 and 2022, there were conditional grants of approximately $3,548,310 and $2,187,700, respectively, which are expected to be recognized in future years when the conditions are met. As of September 30, 2023 and 2022, there was approximately $650,000 of conditional grants passed through to sub-recipients for which expenditures were yet to be incurred and are expected to be paid in future years when the conditions are met. Approximately half of the conditional grant revenue and all the conditional grant payable relates to grants that expire in 2027.

United Way and Contributions

The Organization recognizes all unconditional contributions received, including those received from United Way, as income in the period the unconditional contributions are received. Contributions are considered unconditional when the Organization meets any barriers or conditions communicated in the agreement. Conditional contributions and 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. Contributed support is reported as without donor restrictions or as with donor restrictions depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. As of September 30, 2023 and 2022, there were conditional contributions of approximately $188,000 and $160,000, respectively, which are expected to be recognized in future years when the conditions are met. Contributions of $241,959 and $265,925 were received and reflected in the consolidated financial statements from related parties for the year ended September 30, 2023 and 2022, respectively.

In-Kind Contributions

Contributions of noncash assets, supplies and services are recorded at fair value in the period received. The Organization received the following in-kind contributions during the years ended September 30:

	2023	2022
Legal services	$ 274,720	$ 65,243
Program supplies	58,334	34,862
Building renovations	47,741	-
Imputed interest	23,275	25,175
Total	$ 404,070	$ 125,280

Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. Management's policy is to utilize gifts in-kind rather than monetize the gifts for financial assets. Contributed legal services are valued and reported at the estimated fair value of the attorney's rates. Program supplies are valued and reported at the estimated fair value based donor guidance at the time of the gift. Building renovations are valued and reported at the estimated fair value of the renovations. Imputed interest is valued and reported using a market interest rate from the date of the loan and the outstanding balance. Included above are donated services of $21,320 and $8,125 were received and reflected in the consolidated financial statements from related parties for the years ended September 30, 2023 and 2022, respectively.

Partner Revenue

Several partners utilizing the building have entered into rental agreements. The rental revenue is recorded as revenue ratably over the lease term. See Note 3 for additional information.

In addition, several partners pay the Organization for operating costs. These costs include administrative services, maintenance, janitorial duties and other miscellaneous services. Performance obligations for the Organization include providing partners these services. The net transaction price is determined as set forth in the contract. The transaction price is allocated to the performance obligation based upon estimated annual operating costs which were determined at the time of signing the contract with an assumed annual increase for inflation. Partners pay the Organization monthly or annually. Revenue is recorded as the Organization earns the revenue. There is no accounts receivables and deferred revenue was $41,982, and $36,747 at September 30, 2023 and 2022, respectively, related to these contracts. No revenue was recorded in the year ended September 30, 2023 and 2022 for performance obligations met in prior periods. Revenue related to these contracts was $392,047 and $368,486 for the year ended September 30, 2023 and 2022, respectively.

Special Events

Revenues and expenses for future events are deferred until the event takes place. Upon the event taking place, the revenues and expenses are recognized. During the years ended September 30, 2023 and 2022, the Organization recognized special event revenue totaling $468,571 and $294,095.

Miscellaneous Revenue

Miscellaneous revenue is recorded as revenue in the period that the service is performed.

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 was 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. The Organization qualified for the ERC as the Organization experienced a significant decline in gross receipts (for 2020, defined as a 50% decline in gross receipts when compared to the same calendar quarter in 2019 and for 2021, defined as a 20% decline in gross receipts when compared to the same quarter in 2019). The Organization averaged less than 100 full-time employees (FTEs) during 2019, therefore, it was considered a small employer during 2020 and 2021. As a small employer, all of the Organization's otherwise qualified wages were eligible for the ERC. For calendar year 2020, the ERC equaled 50% of an employee's qualified wages up to $10,000 per employee per calendar quarter with a maximum annual credit for each employee of $5,000. For calendar year 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 Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605 guidance for conditional contributions and, accordingly, revenues are measured and recognized when barriers are met. The Organization claimed credits of $713,790 on timely filed forms 941 which were included in other grants revenue in fiscal year 2021. As of September 30, 2023 and 2022, the Organization had an ERC receivable of $0 and $713,790, respectively.

Functional Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies and full time equivalents. Occupancy costs are based upon number of employees in a department. General and administrative 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentrations

The Organization received approximately 26% and 35% of its annual operating revenue from federal and state grants for the years ended September 30, 2023 and 2022, respectively.

One and two donors made up approximately 58% and 72% of the outstanding balance of contributions receivable at September 30, 2023 and 2022, respectively.

Two donors made up approximately 19% and 12% of contribution revenue during fiscal year 2023 and 2022, respectively.

The Organization maintains cash balances in an institution which exceeds the federally insured limit of $250,000. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Income Taxes

SFPC and the Foundation are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as charitable organizations whereby only unrelated business income, as defined by Section 509(a)(1) of the Code, is subject to federal income tax. The Organization currently has no unrelated business net income or uncertain tax positions. Accordingly, no provision for income taxes has been recorded.

Related-Party Transactions

Members of the Organization's Board of Directors and senior management may, from time to time, be associated either directly or indirectly, with entities doing business with the Organization. These transactions are conducted in the normal course of business and in accordance with the Organization's policies and procedures governing potential conflicts of interest.

Adopted Accounting Standards

During 2023, the Organization adopted FASB Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842),* and all related amendments using the modified retrospective approach. The Organization's 2022 consolidated financial statements continue to be accounted for under the FASB's Topic 840 and have not been adjusted.

Under ASU No. 2016-02, leases in which the Organization is the lessor are classified as sales-type, direct-financing leases or operating leases. The application of Topic 842 did not have a material effect on the Organization's accounting for leases as the lessor and there is no adjustment to net assets.

The new standard provides for several optional practical expedients for lessee and lessors. Upon transition to Topic 842, the Organization elected:

- The package of practical expedients permitted under the transition guidance which does not require the Organization to reassess prior conclusions regarding whether contracts are or contains a lease, lease classification and initial direct lease costs;

- The practical expedient to use hindsight in determining the lease term (that is, when considering the lessee's options to extend or terminate the lease or to purchase the underlying asset).

The new standard also provides for several accounting policy elections for lessees, as follows:

- When the rate implicit in the lease is not determinable, rather than use the Organization's incremental borrowing rate, the Organization elected to use a risk-free discount rate for the initial and subsequent measurement of lease liabilities for all asset classes.

- The Organization elected not to apply the recognition requirements to all leases with an original term of 12 months or less, for which the Organization is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather, short-term leases will continue to be recorded on a straight-line basis over the lease term;

- The Organization elected not to include immaterial leases individually or in the aggregate in the lease calculation.

The Organization has not entered into any significant agreements where it is a lessee.

The new standard also provides for several accounting policy elections for lessors to which the Organization follows, as listed below:

- The Organization has elected the policy to separate lease and nonlease components for all asset classes which the nonlease components would otherwise be accounted for under ASC 606 and both of the following criteria are met: (1) The timing and pattern of transfer for the lease component and nonlease components are the same and (2) The lease component, if accounted for separately, would be classified as an operating lease. As a result, rental income as well as tenant reimbursements of operating expenses such as utilities, repairs and maintenance and common area expenses are accounted for as lease revenue under ASC 842. Ancillary income for items such as fees for damages, application fees and administrative fees, among other items, does not qualify for the practical expedient and, accordingly, is recognized in revenue at a point in time as such fees are incurred.

- The Organization has elected to exclude from rental income all sales, use and other similar taxes collected from its tenants.

Additional required disclosures for Topic 842 are contained in Note 3.

New Accounting Pronouncements

During June 2016, FASB issued ASU No. 2016-13, *Measurement of Credit Losses on Financial Instruments.* ASU No. 2016-13 and subsequent amendments require financial assets measured at amortized cost to be presented at the net amount expected to be collected, through an allowance for credit losses that is deducted from the amortized cost basis. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions and reasonable and supportable forecasts that affect the collectability of the reported amount. ASU No. 2016-13 (as amended) is effective for annual periods and interim periods within those annual periods beginning after December 15, 2022 (2024). The Organization is currently assessing the effect that ASU No. 2016-13 (as amended) will have on its consolidated financial statements.

Subsequent Events

Management has evaluated all subsequent events for possible recognition or disclosure through February 7, 2024; the date the consolidated financial statements were approved and available to be issued.

2. Investments

As defined in current authoritative guidance, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various valuation methods including the market, income and cost approaches. The assumptions used in the application of these valuation methods are developed from the perspective of market participants pricing the asset or liability. Inputs used in the valuation methods can be either readily observable, market corroborated or generally unobservable inputs. Whenever possible, the Organization attempts to utilize valuation methods that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation methods the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

Assets and liabilities measured, reported and/or disclosed at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3 - Unobservable inputs that are not corroborated by market data.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies used may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurement at the reporting date.

The table below presents the balances of investments measured at fair value on a recurring basis as of September 30, 2023 by level within the hierarchy.

	Level 1	Level 2	Level 3	Total
Investments:				
Fixed income funds	$ 1,894,767	$ -	$ -	$ 1,894,767
Domestic equities	651,731	-	-	651,731
Domestic bonds	-	512,811	-	512,811
Domestic real estate funds	288,288	-	-	288,288
International equities	259,670	-	-	259,670
Total investments	$ 3,094,456	$ 512,811	$ -	$ 3,607,267

The table below presents the balances of investments measured at fair value on a recurring basis as of September 30, 2022 by level within the hierarchy.

	Level 1	Level 2	Level 3	Total
Investments:				
Fixed income funds	$ 1,851,668	$ -	$ -	$ 1,851,668
Domestic equities	755,223	-	-	755,223
Domestic bonds	-	464,343	-	464,343
Domestic real estate funds	125,373	-	-	125,373
International equities	177,715	-	-	177,715
Total investments	$ 2,909,979	$ 464,343	$ -	$ 3,374,322

Fixed income funds, domestic equities, domestic real estate funds and international equities are measured at fair value using quoted market prices. They are classified as Level 1 as they are traded in an active market for which closing prices are readily available.

Domestic bonds are measured at fair value using multiple sources of information that are corroborated by market data and are considered Level 2 items. The fair value is based upon quoted prices for similar, but not identical, assets in active markets and other inputs that are observable for the asset, either directly or indirectly, for substantially the full term of the financial instrument.

Investments are shown as follows on the consolidated statements of financial position as of September 30:

	2023	2022
Investments	$ 2,981,647	$ 2,778,727
Long-term investments	625,620	595,595
Total investments	$ 3,607,267	$ 3,374,322

3. Leases

The Organization's operations consist primarily of leases with office tenants which are classified as operating leases. The Organization's office leases, in addition to minimum rents, usually provide for cost recoveries of the tenants' share of certain operating costs and may contain variable lease payments in the form of cost reimbursements. These leases typically are for terms ranging from 1-20 years and may contain lease extension options, exercisable at the tenant's discretion so long as the tenant is not in default of the lease terms. The extension options are generally for terms of 1-20 years and contain rental terms at fixed rates or the prevailing market rate at time of extension.

Rental income is recognized on a straight-line basis over the applicable noncancellable lease term. Straight-line rent receivable represents the difference between rental revenue recognized on a straight-line basis and cash received under the applicable lease provisions. Rental payments and other supplemental income payments received in advance are deferred and recognized in the period in which services are provided. In addition to base rent, lease-related income streams include tenant reimbursement of actual costs incurred for tenant reimbursement of costs paid by the Organization on behalf of the tenant for costs related to the operation of the property and common area maintenance fees. The majority of the Organization's rental revenue is derived from commercial rental and related income. Revenue related to the leases is presented as partner revenue on the consolidated statements of activities.

The Organization has not entered into any significant agreements where it is a lessee.

Leases, Prior to October 1, 2022

Leases prior to October 1, 2022 were accounted for under FASB's Topic 840. The leases were classified as operating leases under Topic 840. Rental income and other lease activity was recognized substantially the same as under Topic 842.

CW, the Milwaukee Police Department and Milwaukee County District Attorney have entered into lease agreements with the Organization to pay monthly rent starting in 2016 for 20 years, 10 years and 10 years respectively. The Organization also has lease agreements with Legal Action of Wisconsin and Wraparound Milwaukee starting in 2019 for 5 years each. Future annual rental income/payments as of September 30, 2022 will be as follows:

2023	$ 74,593
2024	74,973
2025	71,616
2026	29,651
2027	14,000
Thereafter	115,500
Total	$ 380,333

The cost and accumulated depreciation of leased property as of September 30, 2022 is as follows:

Building and building improvements	$ 5,330,643
Less: accumulated depreciation	(1,025,890)
Leased property, net	$ 4,304,753

Leases, October 1, 2022 and After

The Organization made significant assumptions and judgments in applying the requirements of Topic 842. In particular, the Organization determined whether the collectability of lease payments is probable, based on factors such as tenant creditworthiness, economic conditions and the Organization's historical experience with tenants. For any operating leases for which collectability is not deemed probable, the Organization recognizes an adjustment as a reduction to lease revenue and, subsequently, lease revenue is recognized only to the extent lease payments are received. There were no operating leases for which the Organization deemed collectability not probable. The Organization also applied assumptions in the evaluation of whether certain tenants are likely to exercise extension or renewal options.

The Organization leases a portion of the Organization's Peace Center to third parties, which are classified as operating leases under Topic 842. The Organization's tenant leases included minimum rents with annual escalators. These leases typically are for terms ranging from 1-20 years.

Lease income and partner revenue for the year ended September 30, 2023 consists of the following:

Fixed lease income	$ 64,459
Partner revenue	392,047
Total	$ 456,506

The table below summarized the Organization's future undiscounted cash flows to be received for fixed lease income for the years ending after September 30, 2023.

2024	$ 84,308
2025	83,602
2026	16,453
2027	14,000
2028	14,000
Thereafter	101,500
Total	$ 313,863

The cost and accumulated depreciation of leased property as of September 30, 2023 is as follows:

Building and building improvements	$ 5,490,955
Less: accumulated depreciation	(1,212,038)
Leased property, net	$ 4,278,917

4. Long-Term Debt

The Organization's long-term debt consists of the following at September 30:

	2023	2022
CW, Children's Commitment to Project Costs: Noninterest bearing. Organization imputed interest of 1.09%. Principal will be forgiven evenly over a 20 year period beginning on the last day of the calendar year when the Project is substantially completed. Loan can be prepaid without penalty or premium.	$ 2,280,000	$ 2,470,000

The Organization's total debt is summarized below at September 30:

	2023	2022
Organization total	$ 2,280,000	2,470,000
Less current portion	(190,000)	(190,000)
Long-term portion	$ 2,090,000	$ 2,280,000

Principal payments on the debt for the years ending after September 30, 2023 are as follows:

2024	$ 190,000
2025	190,000
2026	190,000
2027	190,000
2028	190,000
Thereafter	1,330,000
Total	$ 2,280,000

Total imputed interest expenses was $23,275 and $25,175 for the year ended September 30, 2023 and 2022, respectively. The interest rate used to input interest was based on the interest rate of other debt at the time the CW loan was obtained. Imputed interest expense is included within in-kind contributions under management and general on the consolidated statements of functional expenses. In fiscal years 2023 and 2022, $190,000 of principal was forgiven and included within the Family Peace Center noncash grants on the consolidated statements of activities.

The Organization is subject to certain requirements and covenants related to their debt. As of September 30, 2023 and 2022, the Organization has represented that it is in compliance with all established covenants.

5. Letter of Credit

The Organization has an outstanding letter of credit which is available to reimburse the State of Wisconsin-Division of Unemployment for claims if necessary. The amount of available credit totaled $55,110 as of September 30, 2023. The letter of credit expires December 31, 2026.

6. Line of Credit

On July 1, 2022, the Organization established a $444,890 line of credit with BMO Harris Bank. Interest on the line of credit is Wall Street Journal Prime plus 1.5% with a floor of 3%. The Organization's general business assets serve as collateral for the line of credit. The agreement indicated that the line of credit shall continue in full force and effect until it is paid in full or the Organization agrees in writing to terminate the agreement. As of September 30, 2023 and 2022, there is no outstanding balance on the line of credit.

7. Designation of Net Assets Without Donor Restrictions

It is the policy of the Board of Directors to review its plans for future organizational needs at a Board meeting each year and to designate or release appropriate sums of net assets without donor restrictions to assure adequate financing of such activities. The Board designates net assets, along with accumulated earnings, for future capital improvements associated with the Family Peace Center facility and it is included in the Board designated endowment fund. The total Board designated endowment fund at September 30, 2023 and 2022 was $2,490,427 and $2,305,014, respectively.

8. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of contributions restricted by the donor for various reasons. These contributions can be summarized as follows at September 30:

	2023	2022
Restricted by time	$ 311,118	$ 591,802
Restricted by use	496,788	407,433
Restricted by use, Kathie Stolpman Endowment Fund	402,607	372,582
Endowment Fund, principal to be invested in perpetuity	223,013	223,013
Total	$ 1,433,526	$ 1,594,830

9. Endowment

There are two types of funds that make up the Organization's endowment fund established for the benefit of the Organization. These funds are general and donor endowment funds. General endowment funds are designated by the Board of Directors (quasi-endowment) for a specific purpose. Donor endowment funds have been received from a donor for endowment purposes and may or may not be designated 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.

Investment and spending policies have been established by the Organization for endowment assets that attempt 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 and 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.

To achieve its investment goals, the Organization seeks an asset allocation that exercises risk control while achieving a balanced return of current income and long-term growth. The Organization's asset allocations are a blend of equity, fixed income and cash equivalents.

Interest, dividends and net appreciation in fair value of board-designated endowment funds are reflected as net assets without donor restrictions. Interest, dividends and net appreciation in fair value of donor restricted endowment funds are reflected as net assets with donor restrictions until appropriated by the Board of Directors. Earnings with donor restrictions on the donor restricted endowment whose restrictions are met in the same period are reflected as earnings without donor restrictions.

Quasi-Endowment

Certain net assets have been set aside for endowment purposes by the Board of Directors. As these amounts are not donor restricted but are designated by Board policy, the amounts have been classified as net assets without donor restrictions. From time to time, the Board may designate additional funds to be added to the quasi-endowment. The Board recognizes that a strategic or emergency need may arise that would require the use of these funds. The Board may access these funds by resolution presented and approved by three-quarters of the Board members.

Donor Restricted Endowment

The Organization has received gifts in which the donors have restricted the gift for investment and to be maintained in perpetuity to generate annual income for the Organization's general operating purposes. The Board may access these earnings by resolution presented and approved by three-quarters of the Board members. At no time shall donor endowment funds be removed from the Endowment fund.

Kathie Stolpman Endowment Fund

The Kathie Stolpman Endowment Fund was initially funded with the net proceeds of The Kathie Stolpman Tribute Event and with any future donor restricted contributions.

Each year, The Kathie Stolpman Endowment Fund may distribute up to five (5)% of the average of the fair value for the 12 (twelve) trailing quarters or the number of quarters then available if less than 12 (twelve), of The Kathie Stolpman Endowment Fund to support the Shelter and related programs. An unlimited amount of The Kathie Stolpman Endowment Fund, including principal, may be used for any real estate acquisition or major improvement associated with the Shelter. Therefore it is reflected as board-designated funds with donor restrictions. Earnings on the Kathie Stolpman Endowment Fund are restricted until released for expenditure.

From time to time, the fair value of assets with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. At September 30, 2023 and 2022, there were no underwater endowments.

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

		With Donor Restrictions			
	Without Donor Restrictions	Time and Purpose	Perpetuity	Total With Donor Restrictions	Total Net Endowment Assets
Donor-restricted	$ -	$ -	$ 223,013	$ 223,013	$ 223,013
Board-designated	2,490,427	402,607	-	402,607	2,893,034
Total funds	$ 2,490,427	$ 402,607	$ 223,013	$ 625,620	$ 3,116,047

Endowment net asset composition by type of fund as of September 30, 2022 is as follows:

		With Donor Restrictions			
	Without Donor Restrictions	Time and Purpose	Perpetuity	Total With Donor Restrictions	Total Net Endowment Assets
Donor-restricted	$ -	$ -	$ 223,013	$ 223,013	$ 223,013
Board-designated	2,305,014	372,582	-	372,582	2,677,596
Total funds	$ 2,305,014	$ 372,582	$ 223,013	$ 595,595	$ 2,900,609

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

		With Donor Restrictions			
	Without Donor Restrictions	Time and Purpose	Perpetuity	Total With Donor Restrictions	Total Net Endowment Assets
Endowment net assets, beginning	$ 2,305,014	$ 372,582	$ 223,013	$ 595,595	$ 2,900,609
Investment return, net of fees	185,413	30,970	-	30,970	216,383
Appropriations	-	(945)	-	(945)	(945)
Endowment net assets, ending	$ 2,490,427	$ 402,607	$ 223,013	$ 625,620	$ 3,116,047

Changes in endowment net assets for the year ended September 30, 2022 are as follows:

		With Donor Restrictions			
	Without Donor Restrictions	Time and Purpose	Perpetuity	Total With Donor Restrictions	Total Net Endowment Assets
Endowment net assets, beginning	$ 2,633,238	$ 428,178	$ 223,013	$ 651,191	$ 3,284,429
Investment return, net of fees	(328,224)	(55,596)	-	(55,596)	(383,820)
Endowment net assets, ending	$ 2,305,014	$ 372,582	$ 223,013	$ 595,595	$ 2,900,609

10. Employee Retirement Plan

The Organization sponsors a 403(b) retirement plan for all eligible employees. All employees become eligible after working at the Organization 90 days and are 100% vested at that time. The Organization provides a matching contribution of one dollar for every dollar that the employee contributes, up to 3% of the employee's annual salary.

Employer contributions made to the plan for the years ended September 30, 2023 and 2022 totaled $111,324 and $98,261, respectively.

11. Grants and Contracts

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.

12. Availability of Financial Assets

The following reflects the Organization’s financial assets as of September 30, 2023 and 2022 reduced by amounts not available within one year for general use because of contractual or donor-imposed restrictions. Amounts already appropriated from either the donor-restricted endowment or quasi-endowment for general expenditure, donor restrictions for operations which will be met within one year or assets only restricted for time that will be received in 2023 and 2022 have not been subtracted as unavailable. As the Board of Directors can undesignate the Board Designated Endowment Fund, the amounts are initially reduced but then included in the calculation. Assets not available include amounts set aside for long-term investing in the quasi-endowment that could be drawn upon if the governing board approves that action.

	2023	2022
Total assets	$ 21,892,348	$ 22,847,291
Donor purpose restricted net assets and board designated net assets:		
Investments	(223,013)	(223,013)
Stolpman fund	(402,607)	(372,582)
Board designated	(2,490,427)	(2,305,014)
Assets not available to be liquidated in one year:		
Property and equipment	(16,100,545)	(16,546,021)
Prepaid expenses	(151,162)	(160,634)
Contribution receivable, long term	(22,875)	(9,375)
Amounts available	2,501,719	3,230,652
Board designations:		
Quasi-endowment fund	2,490,427	2,305,014
Financial assets available to meet cash needs for general expenditures within one year	$ 4,992,146	$ 5,535,666

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 is substantially supported by federal and state cost reimbursement contracts and contributions. The Organization has renewed the majority of their federal and state contracts through fiscal year 2024. The Organization's monthly cash unfunded expenditures are expected to be $513,154 and $415,222 at September 30, 2023 and 2022, respectively. The Organization has approximately ten (10) and thirteen (13) months of financial assets available to meet these obligations when including the Board designated quasi-endowment as available in the years ending September 30, 2023 and 2022, respectively. The Organization chose to use excess cash to fund all capital improvements for the past three years. The Organization will utilize the Stolpman Fund and line of credit to bridge cash needs, if necessary, in fiscal 2024.

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

Independent Auditors' Report

To the Board of Directors of
Sojourner Family Peace Center, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Sojourner Family Peace Center, Inc. (the Organization), which comprise the Organization's consolidated statement of financial position as of September 30, 2023, and the related consolidated statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated February 7, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Baker Tilly US, LLP

Milwaukee, Wisconsin
February 7, 2024

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

Independent Auditors' Report

To the Board of Directors of
Sojourner Family Peace Center, Inc.

Report on Compliance for Each Major Federal and Major State Program

Opinion on Each Major Federal and Major State Program

We have audited Sojourner Family Peace Center, Inc.'s (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *State Single Audit Guidelines* (the *Guidelines*) that could have a direct and material effect on each of the Organization's major federal and major state programs for the year ended September 30, 2023. The Organization's major federal and major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and major state programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal and Major State Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Baker Tilly US, LLP

Milwaukee, Wisconsin
February 7, 2024

Federal Awards Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures	Subrecipient Awards
U.S. Department of Housing and Urban Development				
Passed through City of Milwaukee:				
Community Development Block Grant	14.218	CD7865050048, CD7865050748, CD7865050049, & CD7865050749	$ 255,163	$ -
Total CDBG-Entitlement Grants Cluster			255,163	-
Passed through City of Milwaukee:				
Emergency Solutions Grant Program	14.231	CD7865050048 & CD7865050049	96,335	-
Emergency Solutions Grant Program, Rapid Rehousing	14.231	GR1542232200	20,638	-
Total Emergency Solutions Grant Program			116,973	-
Total U.S. Department of Housing and Urban Development			372,136	-
U.S. Department of Justice				
Passed through State of Wisconsin Department of Justice:				
Crime Victim Assistance	16.575	2019/2021-VO/O-A-01-17344	764,191	249,118
Violence Against Women Act Formula Grants	16.588	2018/2020-VA-05D-17058	13,536	-
Office of Justice Program (Bureau of Justice Assistance) - Byrne Discretionary Community Project funding	16.753	2016-FJ-AX-0006	238	-
Total U.S. Department of Justice			777,965	249,118
U.S. Department of Treasury				
Passed through State of Wisconsin Department of Justice				
Covid-19, American Rescue Plan Act	21.027	2019/2021-VO/O-A-01-17344	134,857	-
U.S. Department of Health and Human Services				
Passed through State of Wisconsin Department of Children and Families:				
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	Core 6000	5,773	-
Family Violence Prevention and Services/Domestic Violence Refugee Family Strengthening	93.671	Core 6037	10,915	-
ALN 93.671 Total			16,688	-
Direct Award:				
Substance Abuse and Mental Health services Administration Center for Mental Health Services	93.243	1H79SM085027-01	102,969	-
Total U.S. Department of Health and Human Services			119,657	-

See notes to schedule of expenditures of federal and state awards

Federal Awards Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures	Subrecipient Awards
U.S. Department of Homeland Security				
Passed through Hunger Task Force:				
Emergency Food and Shelter National Board Program	97.024	Phase 39	$ 37,545	$ -
Total expenditures of federal awards			$ 1,442,160	$ 249,118

State Awards Grantor/Pass-Through Grantor/Program Title	State ID Number	Pass-Through Grantor's Number	State Expenditures	Subrecipient Awards
Wisconsin Department of Children and Families				
Direct award:				
Domestic Violence - Basic Services	437-6000	CORE 6000	$ 28,690	$ -
Domestic Violence - Children's Programming	437-6005	CORE 6005	32,539	-
Domestic Violence - Education for Families Served by DMCPS	437-5062	CORE 5062	36,738	-
Domestic Violence - Support Services	437-6015	CORE 6015	5,780	-
Domestic Violence - Refugee Family Strengthening	437-6037	CORE 6037	98,237	-
Domestic Violence - Statewide Domestic Violence Services	437-6001	CORE 6001	111,071	-
Domestic Violence - Domestic Violence Stabilization Sheltercare	437-6018	CORE 6018	113,291	-
Domestic Violence - Milwaukee County DVHRT	437-6002	CORE 6002	14,168	-
Total Wisconsin Department of Children and Families			440,514	-
Total expenditures of state awards			$ 440,514	$ -

See notes to schedule of expenditures of federal and state awards

Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (the schedule) includes the federal and state grant activity of the Organization under programs of the federal and state government for the year ended September 30, 2023. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines*. Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

Summary of Significant Accounting Policies

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

Indirect Cost Rate

The Organization has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Section I: Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the consolidated financial statements audited were prepared in accordance with GAAP:	unmodified			
Internal control over financial reporting:				
Material weakness(es) identified?		yes	X	no
Significant deficiency(ies) identified?		yes	X	none reported
Noncompliance material to consolidated financial statements noted?		yes	X	no

Federal and State Awards

Internal control over major federal and state programs:				
Federal material weakness(es) identified?		yes	X	no
State material weakness(es) identified?		yes	X	no
Federal significant deficiency(ies) identified?		yes	X	none reported
State significant deficiency(ies) identified?		yes	X	none reported
Type of auditors' report issued on compliance for major federal and state programs:	unmodified			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?		yes	X	no

Identification of major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
16.575	Crime Victim Assistance

Identification of major state programs:

Assistance Listing / State ID Number	Name of State Program or Cluster
16.575	Crime Victim Assistance
21.027	Covid-19, American Rescue Plan Act

Dollar threshold used to distinguish between federal type A and type B programs	$750,000			
Dollar threshold used to distinguish between state type A and type B programs	$250,000			
Auditee qualified as low-risk auditee?	X	yes		no

Section II: Financial Statement Findings

There were no findings.

Section III: Federal and State Award Findings and Questioned Costs

There were no findings or questioned costs.

Section IV: Other Issues

Does the auditors' report or the notes to the consolidated financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern?		yes	X	no
Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned costs, material weaknesses, significant deficiencies, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines:*				
Department of Children and Families		yes	X	no
Department of Justice		yes	X	no
Was a management letter or other document conveying audit comments issued as a result of this audit?		yes	X	no

Name and signature of partner: Ryan J Lay

Ryan J. Lay, CPA

Date of the report: February 7, 2024

Summary Schedule of Prior Audit Findings
Year Ended September 30, 2023

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

Sojourner Family Peace Center, Inc.

Schedule of Grant Revenues and Expenses
Year Ended September 30, 2023

	Community Development Block Grant	City of Milwaukee Emergency Solutions	DOJ Victims of Crime	DOJ Violence Against Women	OJP BJA Byrne Discretionary Community Project Funds	U.S. Department of Homeland Security	U.S. Department of Health and Human Services	State of WI Dept. of Children & Families - Domestic Violence	State Emergency Shelter	American Rescue Plan Act
Revenues:										
Grants	$ 255,163	$ 96,335	$ 764,191	$ 13,536	$ 238	$ 37,545	$ 102,969	$ 457,202	$ 20,638	$ 134,857
Total revenues	255,163	96,335	764,191	13,536	238	37,545	102,969	457,202	20,638	134,857
Expenses:										
Salaries, payroll taxes and fringe benefits	255,163	79,316	470,221	13,536	217	37,545	65,353	403,997	20,638	108,882
Sub recipient expense	-	-	249,118	-	-	-	-	-	-	-
General services	-	17,801	53,605	-	21	-	37,616	53,205	-	25,975
Total expenses	255,163	97,117	772,944	13,536	238	37,545	102,969	457,202	20,638	134,857
Excess of expenses over revenues	$ -	$ (782)	$ (8,753)	$ -	$ -	$ -	$ -	$ -	$ -	$ -

The Domestic Abuse Program Grant from the State of Wisconsin Department of Children and Families shall not exceed 70% of the total domestic abuse operating budget.

Total program expenses	$ 6,002,284
	70%
Total maximum grant	$ 4,201,599
Actual grant	$ 457,202

Sojourner Family Peace Center, Inc.

Consolidating Statement of Financial Position
September 30, 2023

	Foundation	SFPC	Eliminations	Consolidated
Assets				
Current Assets				
Cash and cash equivalents	$ 1,044,806	$ 310,596	$ -	$ 1,355,402
Short-term investments	2,981,647	-	-	2,981,647
Grants receivable	-	366,854	-	366,854
Contributions receivable	288,243	-	-	288,243
Prepaid expenses	2,817	148,345	-	151,162
Total current assets	4,317,513	825,795	-	5,143,308
Property and Equipment, Net	-	16,100,545	-	16,100,545
Noncurrent Assets				
Long-term investments	625,620	-	-	625,620
Contributions receivable, long-term, net of discount	22,875	-	-	22,875
Total noncurrent assets	648,495	-	-	648,495
Total assets	$ 4,966,008	$ 16,926,340	$ -	$ 21,892,348
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	$ -	$ 70,235	$ -	$ 70,235
Payroll deductions	-	122,259	-	122,259
Accrued vacation	-	110,449	-	110,449
Deferred revenue	11,800	44,442	-	56,242
CW commitment to construction	190,000	-	-	190,000
Total current liabilities	201,800	347,385	-	549,185
Long-Term Liabilities				
CW commitment to construction	2,090,000	-	-	2,090,000
Total liabilities	2,291,800	347,385	-	2,639,185
Net Assets (Deficit)				
Without donor restrictions:				
Undesignated	(752,958)	16,082,168	-	15,329,210
Board-designated	2,490,427	-	-	2,490,427
Total net assets without donor restrictions	1,737,469	16,082,168	-	17,819,637
With donor restrictions	936,739	496,787	-	1,433,526
Total net assets	2,674,208	16,578,955	-	19,253,163
Total liabilities and net assets	$ 4,966,008	$ 16,926,340	$ -	$ 21,892,348

Sojourner Family Peace Center, Inc.

Consolidating Statement of Activities
Year Ended September 30, 2023

	Foundation	SFPC	Eliminations	Consolidated
Revenues				
Federal and state grants	$ -	$ 1,882,674	$ -	$ 1,882,674
Other grants	-	127,520	-	127,520
United Way contributions	222,625	-	-	222,625
Contributions	3,674,831	3,034,745	(3,034,745)	3,674,831
In-kind contributions	23,275	380,795	-	404,070
Special events	468,571	-	-	468,571
Investment return, net	262,459	-	-	262,459
Partner revenue	-	456,506	-	456,506
Miscellaneous revenue	-	36,888	-	36,888
Service agreement	-	1,220,469	(1,220,469)	-
Family Peace Center noncash grants	190,000	-	-	190,000
Total revenues	4,841,761	7,139,597	(4,255,214)	7,726,144
Expenses				
Program:				
Shelter	-	1,417,194	-	1,417,194
Children's programming	-	282,242	-	282,242
Courthouse advocacy program	-	954,300	-	954,300
Family advocacy support services	-	1,197,734	-	1,197,734
CDAAP	-	598,450	-	598,450
Family Peace Center	-	1,552,364	-	1,552,364
Distributions to Agency	4,255,214	-	(4,255,214)	-
Management and general	-	1,268,118	-	1,268,118
Development	161,470	1,088,518	-	1,249,988
Total expenses	4,416,684	8,358,920	(4,255,214)	8,520,390
Change in net assets	425,077	(1,219,323)	-	(794,246)
Net Assets, Beginning	2,249,131	17,798,278	-	20,047,409
Net Assets, Ending	$ 2,674,208	$ 16,578,955	$ -	$ 19,253,163