Emergency Housing Stability for Women and Children in Dunn County

2026 Women's Giving Circle - Competitive Grant Cycle

The Salvation Army of Dunn County

Trevor McClintock Major
616 East Olson St.
Blair, WI 54616

lori.peterson@usc.salvationarmy.org
O: 608-797-2038

Mr Thomas Bremer

20 East Douglas St
Rice Lake, WI 54868

tom.bremer@usc.salvationarmy.org
O: 715-497-4438
M: 715-497-4438

Application Form

Instructions

INSTRUCTIONS

Complete the grant application by responding to the fields below. Note that any fields with an asterisk are required fields and must be completed prior to submitting an application.
As you complete the form, the system will auto-save every 100 characters typed or every time you click out of a field. You may collapse question groups as you go, as an indicator to yourself that you've completed that section and to reduce scrolling.

The system also allows you to Save an application and come back to it before submitting. There is also a Collaborator feature that allows applicants to work together on a single request. https://docs.google.com/document/d/15NsdFgi3lBmBu0_pp1zj2HZ51I4mx8Wryjrx4FYOmdg/edit?usp=sharingContact the Community Foundation at (715) 232-8019 if you have any questions or problems with the form.

Request Overview

Project Title*

Please provide a descriptive Name/Title for this grant request.

Emergency Housing Stability for Women and Children in Dunn County

Amount Requested*

Typical grant amounts range from $500 to $5,000 or more.

$5,000.00

Program Area*

Please check the program area that best categorizes this grant request.

Human Services

Geographic Area Served*

Please select which geographic area is primarily being served by this request.

Dunn County wide

Age Group Served*

Please select the specific age group served by this grant request.

All ages

Income Level Served*

Please select the income level of the target population being served by this request.

Low Income

Non Discrimination Policy*

In accordance with federal regulations, the Community Foundation of Dunn County does not discriminate based on race, color, creed, sex, religion, age, disability, sexual orientation, marital status or national origin. Do the applicant organization's employment and service practices comply with this policy?

Yes

About Your Organization

1. Organization Overview*

Please provide a brief background about your organization, including a short summary of the organization's history, mission, goals, accomplishments, and challenges.

The Salvation Army of Dunn County serves residents across Dunn County through a volunteer led Service Extension program. Our mission is to meet human needs without discrimination by providing emergency financial assistance to individuals and families facing crisis. Locally, our primary focus is housing stability, assisting with emergency lodging, rent, utilities, and transportation so residents can avoid eviction and homelessness. Dunn County operates without paid local staff or a physical facility. Trained volunteers respond to calls from residents in crisis, assess needs, and issue vendor paid vouchers for approved assistance. This structure keeps overhead low and ensures that the majority of resources go directly toward emergency support. In the past year, the Dunn County Salvation Army assisted 99 individuals with emergency financial needs. Our goal is to stabilize households quickly so individuals can maintain employment, remain housed, and continue supporting their families.

2. Current Initiatives*

Please describe your current programs, activities, community impact and the community's involvement or support of your organization.

The Dunn County Salvation Army provides emergency financial assistance to residents experiencing short term crisis. Current services include emergency lodging, rent assistance, utility support, and transportation assistance. Assistance is provided after a phone assessment by trained volunteers and is issued through vendor paid vouchers.

In the past year, 99 individuals received emergency assistance. Support included emergency lodging for individuals and families, rent assistance to prevent eviction, utility payments to avoid disconnection, and transportation assistance to help residents maintain employment. These services help stabilize households during unexpected financial hardship. Community support comes primarily through the annual Red Kettle Campaign and local donations. Volunteers from Dunn County manage client calls, approve assistance, and coordinate payments. This community driven model ensures that funds are used directly for residents in need and that services remain responsive to local conditions.

3. Organizational Structure*

Describe the current structure of your organization, including how the organization functions on a daily basis. (CEO, staff, volunteers, etc.)

The Dunn County Salvation Army operates as a volunteer led Service Extension unit within The Salvation Army of Wisconsin and Upper Michigan. There are no paid local staff and no physical office location. Local operations are managed by trained volunteers who respond to calls for assistance and process approved requests. A regional field representative provides oversight and support to Dunn County and other western Wisconsin counties. Financial processing, accounting, insurance, and administrative oversight are handled through the divisional headquarters in Wauwatosa, Wisconsin. Approved assistance is issued through a documented voucher system, and vendors submit vouchers directly to the divisional office for payment. This structure provides financial accountability while keeping local operations community driven and focused on direct assistance.

About the Grant

What is the community need that this request addresses?

Housing instability remains a significant concern in Dunn County. According to 211 Wisconsin data from the past year, Housing and Shelter requests accounted for nearly 35 percent of all service inquiries, with rent assistance representing the largest share. These calls reflect financial pressure related to rising housing costs and limited affordable rental options. ALICE data further illustrates this vulnerability. Approximately 25 percent of Dunn County households are classified as Asset Limited, Income Constrained, Employed, and another 12 percent live below the federal poverty level. Roughly 37 percent of households struggle to afford basic expenses such as housing, food, and utilities. Many have little or no savings, leaving them at risk of eviction or utility disconnection when faced with an unexpected expense. Women and female headed households are particularly impacted by short term disruptions. In the past year, the Dunn County Salvation Army assisted single women and single mothers with children who required emergency lodging, rent, utility, or transportation assistance. Flexible emergency funding allows timely intervention to stabilize households, prevent displacement, and support women in maintaining safe housing.

Project Goals and Activities*

Describe the specific goals and activities of your project and how they will be carried out or accomplished.

The goal of this project is to provide emergency housing stability assistance to women and female headed households in Dunn County who are experiencing financial crisis. The project will focus on preventing eviction, homelessness, and utility disconnection through short term financial intervention. Funds will be used to provide emergency lodging, rent assistance, utility support, and transportation assistance for eligible women and women with children. When a resident contacts the Dunn County Salvation Army, trained volunteers conduct a phone assessment to determine the nature of the crisis and verify documentation. If approved, assistance is issued through a documented voucher system, and payments are made directly to landlords, utility companies, lodging providers, or other vendors. No funds are given directly to clients. The project will be carried out through this established volunteer network, with oversight from the regional field representative and financial processing handled through the divisional office. This structure ensures accountability while allowing timely response to urgent housing needs.

Project Outcomes*

Describe the anticipated outcomes resulting from this grant project, its impact and how the community will be better served.

The primary outcome of this project is improved housing stability for women and female headed households in Dunn County. With $5,000 in support, we anticipate assisting approximately 8 to 15 women and children who are experiencing housing instability. Success will be measured by the number of women and households receiving emergency assistance and the type of support provided, including emergency lodging, rent assistance, utility payments, or transportation assistance. Additional outcomes include prevention of eviction, avoidance of utility disconnection, and stabilization of housing during short term financial crisis. All assistance is documented through a voucher system completed by trained volunteers at the time services are approved. Household composition and type of assistance are recorded, and payments are processed through the divisional office. Monthly financial reports allow tracking of expenditures and number of unduplicated individuals served.

Sustainability*

Please describe how you will fund and continue to sustain these activities beyond the grant period.

The Dunn County Salvation Army has provided emergency financial assistance through its volunteer led Service Extension program for many years. This project builds on an existing structure rather than creating a new program. Emergency assistance is sustained primarily through the annual Red Kettle Campaign and local donations, which support ongoing crisis response efforts throughout the year. Because the program operates without paid local staff or a physical facility, overhead costs remain low and funds can be directed toward direct assistance. The volunteer network and regional oversight structure are already established and will continue beyond the grant period. Future support from local fundraising efforts and community contributions will allow emergency assistance for women and female headed households to continue after the grant period ends.

Staff - Project Summary*

Grant Project Budget

Anticipated Project Income*

Please list out all anticipated sources of income for this specific grant project with amounts and whether the funding is approved or pending.

Ex: Dunn Energy Cooperative: $1,000 - Approved

Women’s Giving Circle, Community Foundation of Dunn County: $5,000 – Pending

Total Project Expenses*

What are the total expenses for this particular grant project? This may be more than your grant request amount and helps us to understand if the Foundation is funding a portion of the project or the full cost of the project.

$5,000.00

Project Expenses Description*

Please itemize the expenses for this grant project, including a short description of each item and the anticipated cost. (Personnel, Materials and Supplies, etc.) If this grant is to cover a portion of the project, please list all expenses of the project and then specify which expenses you anticipate being supported by this CFDC grant.

Emergency Lodging Assistance: $2,000
Funds will support short term emergency lodging for women and female headed households facing immediate housing instability.
Rent Assistance: $1,800
Funds will provide partial rent payments to prevent eviction and stabilize women and women with children during financial crisis.
Utility Assistance: $700
Funds will prevent utility disconnection for eligible women experiencing short term hardship.
Transportation Assistance: $500
Funds will support transportation costs necessary to maintain employment, attend required appointments, or secure stable housing.

Project Budget Upload

(Optional) You may upload a separate file of your own, representing this grant request's Project Budget. For help creating the document, you can click here to download our Grant Project Budget template.

Project budget 2026.pdf

Letter of Support

(Optional) Letters of Support are optional, unless another organization or individual is integral to the purchase or use of the program and/or is a fiscal sponsor. Then it is required.

Additional Supporting Documents

(Optional) You may upload additional supporting documents to your request. If this grant request is to purchase a specific item or equipment, please upload a financial quote or spec sheet about the item here.

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Staff - Project Budget Summary*
Brief sentence about how the grant budget is broken down by item.

Required Organization Financials

Current Board of Directors*
Please upload a list of your current Board of Directors.

Wisconsin Board of Directors 25-26.pdf

Organizational Budget*
Please upload your organization's most recent Operating Budget with projected revenues and expenses.

Annual budget.pdf

Audited Financials
Please upload a copy of your organization's current Audited Financial Statement. If you are not required to prepare an audited financial statement, please skip this upload and see the Audit Upload Opt-Out.

The Salvation Army WUM Division Audit 2023 & 2024.pdf

Audit Upload Opt-Out
Under Wis. Stat. § 202.12| a charitable organization with annual contributions over $500,000 must file an audited financial statement and include the opinion of an independent CPA. A charitable organization with annual contributions less than $500,000 and over $300,000 must file a financial statement reviewed by an independent CPA. If you do not upload an audit or financial statement, please verify that your organization is not required to based on this state statute.

Proof of 990 Filing*
Please upload proof of current IRS 990 Filing. You may upload the first page only; the full 990 document is not required.

2025 990 Exemption Form.pdf

Authorization

Applicant Agreement*
As the applicant submitting this request on behalf of the organization, you certify that:

- **The information provided in this application is complete and accurate to the best of your knowledge.**
- **Falsification of information will result in termination of any award granted.**

- **You have discussed this project and grant request with the necessary authorized representatives at your organization. They support this request and the proposed allocation of funding.**

If awarded a grant, the organization will:

- **Carry out the activities and expend grant funds as described in the proposal, to the best of their ability.**
- **Submit significant changes in the scope or budget of the project to the Foundation for approval.**
- **Complete and submit written reports as required no later than 12 months from the date the grant is awarded.**
- **Acknowledge the role of the Community Foundation of Dunn County in supporting the organization in communications with their board and the public.**
- **Provide copies of all publicity, press releases or promotional materials. If available, provide photos in digital format.**

I agree

File Attachment Summary

Applicant File Uploads

- Project budget 2026.pdf
- Wisconsin Board of Directors 25-26.pdf
- Annual budget.pdf
- The Salvation Army WUM Division Audit 2023 & 2024.pdf
- 2025 990 Exemption Form.pdf

COMMUNITY FOUNDATION
of Dunn County

Grant Project Budget

This form is optional and may be used to help you upload a Project Budget to your grant application.

Project Income:
Please list all sources of income for this specific project request and amounts, including whether the status is approved, pending, or declined.

Income Source	Amount	Status
Community Foundation of Dunn County	**$5000**	Pending

Expenses:
Please itemize/detail all expense items related to this grant project.

Item/Description	Amount
Dunn County client financial requests. Emergency Lodging	**$2,000**
Rent Assistance	**$1,800**
Utility Assistance	**$ 700**
Transportation Assistance	**$ 500**
Total Project Expense:	**$5,000**

Board of Directors 2025-2026

Major Rochelle McClintock, Chairman
Trevor McClintock, Development Director
Major Steven Woodard
Major Jennifer Woodard
Captain Telinda Wilson
Lieutenant Henry Boateng
Lieutenant Pam Boateng
Mrs. Rachel Fjellman
Mrs. Lynn Helgeland

All can be contacted at: 414-302-4300

Emails all follow the same pattern:

rochelle.mcclintock@usc.salvationarmy.org

Salvation Army of Dunn County

2025-2026 Budgets

For Fiscal Year starting Oct 1, 2025, ending September 30, 2026

Dunn County Service Center

Operating Budgets		
Annual Budget	13,545	**Red Kettle Funds**
YTD Expenses		

Annual Remaining Funds	13,545

Additional Revenue		
Budget	13,545	**Client Assistance**
YTD Expenses		**Expenses**

Annual Remaining Funds	$

Total Service Unit Budget	
Annual Budget	$13,545
Projected 2025-2026 Expenses	$13,545

Year End	**$0.00**

THE SALVATION ARMY – WISCONSIN AND UPPER MICHIGAN DIVISION

FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT AUDITOR WITH
REPORTS AND SCHEDULES REQUIRED
BY THE UNIFORM GUIDANCE AND
SUPPLEMENTARY INFORMATION

As of and for the Years Ended September 30, 2024 and 2023

And Reports of Independent Auditor

Cherry Bekaert LLP
Your Guide Forward

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Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor

Divisional Commander
The Salvation Army – Wisconsin and Upper Michigan Division
Wauwatosa, Wisconsin

Opinion

We have audited the accompanying financial statements of The Salvation Army – Wisconsin and Upper Michigan Division (a nonprofit organization) (the "Division"), which comprise the statements of financial position as of September 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, financial statements referred to above present fairly, in all material respects, the financial position of the Division as of September 30, 2024 and 2023, and the change 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Division and to meet our 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 opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 financial statements

In performing an audit in accordance with generally accepted auditing standards 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Division'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 financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Division'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 audits.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the schedule of expenditures – state of Wisconsin are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 March 3, 2025, on our consideration of the Division's internal control over financial reporting and 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 Division'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 Division's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Elgin, Illinois
March 3, 2025

THE SALVATION ARMY – WISCONSIN AND UPPER MICHIGAN DIVISION
STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2024 AND 2023

	2024	2023
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 1,284,286	$ 3,905,501
Accounts receivable	39,401	117,137
Grants receivable	448,692	344,187
Related party receivables, net	2,355,777	1,353,715
Pledges receivable	46,302	46,250
Inventory	66,463	59,296
Prepaid expenses and deferred charges	96,140	158,627
Total Current Assets	4,337,061	5,984,713
Cash held for others	9,561,925	12,303,718
Property and Equipment:		
Equipment	860,674	721,175
Vehicles	2,120,997	2,094,946
Total, at cost	2,981,671	2,816,121
Less accumulated depreciation	2,299,258	2,152,084
Property and Equipment, Net	682,413	664,037
Total Assets	$ 14,581,399	$ 18,952,468
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$ 427,745	$ 469,891
Accrued liabilities	565,191	542,418
Other current liabilities	19,319	83,577
Total Current Liabilities	1,012,255	1,095,886
Cash held for others	9,561,925	12,303,718
Total Liabilities	10,574,180	13,399,604
Net Assets:		
Net assets without donor restrictions	3,766,694	5,241,134
Net assets with donor restrictions	240,525	311,730
Total Net Assets	4,007,219	5,552,864
Total Liabilities and Net Assets	$ 14,581,399	$ 18,952,468

The accompanying notes to the financial statements are an integral part of these statements.

THE SALVATION ARMY – WISCONSIN AND UPPER MICHIGAN DIVISION
STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2024, (WITH COMPARATIVE TOTALS FOR 2023)

	2024			
	Net Assets Without Donor Restrictions	**Net Assets With Donor Restrictions**	**Total**	**2023 Total***
Support and Revenues:				
Public Support:				
Received Directly:				
Contributions	$ 6,486,870	$ 60,000	$ 6,546,870	$ 6,603,733
In-kind contributions	2,352,224	-	2,352,224	2,516,296
Total Received Directly	8,839,094	60,000	8,899,094	9,120,029
Received indirectly - United Way	224,750	46,302	271,052	243,933
Total Public Support	9,063,844	106,302	9,170,146	9,363,962
Fees and grants from government agencies	2,473,234	-	2,473,234	2,107,127
Other Revenues:				
Gain on sale of property and equipment	12,330	-	12,330	5,350
Program service fees	5,603,619	-	5,603,619	5,851,111
Dividends and interest, net of fees	901,582	-	901,582	765,562
Transfers from affiliates	1,253,522	-	1,253,522	1,202,189
Sales to the public	500,160	-	500,160	409,381
Other	23,103	-	23,103	9,243
Total Other Revenues	8,294,316	-	8,294,316	8,242,836
Total Support and Revenues Before Net Assets Released	19,831,394	106,302	19,937,696	19,713,925
Net assets released from restrictions	177,507	(177,507)	-	-
Total Support and Revenue	20,008,901	(71,205)	19,937,696	19,713,925
Expenses:				
Program Services:				
Corps community centers	2,503,111	-	2,503,111	2,847,156
Residential services	4,988,989	-	4,988,989	5,124,466
Other social services	7,418,583	-	7,418,583	6,853,553
Total Program Services	14,910,683	-	14,910,683	14,825,175
Supporting Services:				
Management and general	3,718,397	-	3,718,397	3,605,737
Fundraising	2,854,261	-	2,854,261	3,186,748
Total Supporting Services	6,572,658	-	6,572,658	6,792,485
Total Expenses	21,483,341	-	21,483,341	21,617,660
Change in net assets	(1,474,440)	(71,205)	(1,545,645)	(1,903,735)
Net assets, beginning of year	5,241,134	311,730	5,552,864	7,456,599
Net assets, end of year	$ 3,766,694	$ 240,525	$ 4,007,219	$ 5,552,864

*See complete 2023 Statement of Activities on page 5.

THE SALVATION ARMY – WISCONSIN AND UPPER MICHIGAN DIVISION
STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2023

	2023		
	Net Assets Without Donor Restrictions	**Net Assets With Donor Restrictions**	**Total**
Support and Revenues:			
Public Support:			
Received Directly:			
Contributions	$ 6,603,733	$ -	$ 6,603,733
In-kind contributions	2,516,296	-	2,516,296
Total Received Directly	9,120,029	-	9,120,029
Received indirectly - United Way	197,683	46,250	243,933
Total Public Support	9,317,712	46,250	9,363,962
Fees and grants from government agencies	2,107,127	-	2,107,127
Other Revenues:			
Gain on sale of property and equipment	5,350	-	5,350
Program service fees	5,851,111	-	5,851,111
Dividends and interest, net of fees	765,562	-	765,562
Transfers from affiliates	1,202,189	-	1,202,189
Sales to the public	409,381	-	409,381
Other	9,243	-	9,243
Total Other Revenues	8,242,836	-	8,242,836
Total Support and Revenues Before Net Assets Released	19,667,675	46,250	19,713,925
Net assets released from restrictions	198,708	(198,708)	-
Total Support and Revenue	19,866,383	(152,458)	19,713,925
Expenses:			
Program Services:			
Corps community centers	2,847,156	-	2,847,156
Residential services	5,124,466	-	5,124,466
Other social services	6,853,553	-	6,853,553
Total Program Services	14,825,175	-	14,825,175
Supporting Services:			
Management and general	3,605,737	-	3,605,737
Fundraising	3,186,748	-	3,186,748
Total Supporting Services	6,792,485	-	6,792,485
Total Expenses	21,617,660	-	21,617,660
Change in net assets	(1,751,277)	(152,458)	(1,903,735)
Net assets, beginning of year	6,992,411	464,188	7,456,599
Net assets, end of year	$ 5,241,134	$ 311,730	$ 5,552,864

The accompanying notes to the financial statements are an integral part of these statements.

THE SALVATION ARMY – WISCONSIN AND UPPER MICHIGAN DIVISION
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2024, (WITH COMPARATIVE TOTALS FOR 2023)

	Program Services				Supporting Services				
	Corps Community Center	Residential Services	Other Social Services	Total	Management and General	Fundraising	Total	2024 Total Expenses	2023 Total Expenses*
Salaries, officer allowances, and payroll taxes	$ 837,699	$ 1,783,424	$ 2,107,526	$ 4,728,649	$ 2,119,466	$ 1,382,161	$ 3,501,627	$ 8,230,276	$ 7,763,968
Employee and officer benefits	214,433	377,237	524,504	1,116,174	413,229	216,351	629,580	1,745,754	1,711,437
Professional fees	32,519	33,933	69,747	136,199	92,006	106,264	198,270	334,469	561,772
Occupancy, furnishings, and equipment	752,569	742,852	725,404	2,220,825	545,573	127,818	673,391	2,894,216	3,254,563
Supplies	125,215	53,104	94,163	272,482	40,569	35,064	75,633	348,115	395,163
Communications, postage, and shipping	11,453	37,791	45,729	94,973	30,401	245,486	275,887	370,860	390,875
Printing and publications	5,470	11,024	25,095	41,589	4,584	431,650	436,234	477,823	486,410
Conferences, meetings, and travel	135,594	99,524	191,650	426,768	120,555	57,921	178,476	605,244	651,510
World services support	-	-	171,665	171,665	-	-	-	171,665	171,361
Depreciation	88,317	45,873	81,362	215,552	17,298	28,015	45,313	260,865	214,205
Direct assistance	-	960,588	2,817,086	3,777,674	-	-	-	3,777,674	3,560,488
Other expenses	299,842	843,639	564,652	1,708,133	334,716	223,531	558,247	2,266,380	2,455,908
Total Expenses	$ 2,503,111	$ 4,988,989	$ 7,418,583	$ 14,910,683	$ 3,718,397	$ 2,854,261	$ 6,572,658	$ 21,483,341	$ 21,617,660

*See complete 2023 Statement of Activities on page 7.

THE SALVATION ARMY – WISCONSIN AND UPPER MICHIGAN DIVISION
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2023

	Program Services				Supporting Services			
	Corps Community Center	Residential Services	Other Social Services	Total	Management and General	Fundraising	Total	Total Expenses
Salaries, officer allowances, and payroll taxes	$ 813,830	$ 1,729,712	$ 1,919,739	$ 4,463,281	$ 1,962,389	$ 1,338,298	$ 3,300,687	$ 7,763,968
Employee and officer benefits	201,897	383,015	484,736	1,069,648	421,536	220,253	641,789	1,711,437
Professional fees	47,562	30,067	47,434	125,063	144,157	292,552	436,709	561,772
Occupancy, furnishings, and equipment	830,298	798,206	808,911	2,437,415	552,778	264,370	817,148	3,254,563
Supplies	145,959	65,836	89,507	301,302	42,932	50,929	93,861	395,163
Communications, postage, and shipping	12,762	35,313	51,715	99,790	34,488	256,597	291,085	390,875
Printing and publications	6,190	9,750	24,926	40,866	4,968	440,576	445,544	486,410
Conferences, meetings, and travel	149,548	100,190	189,997	439,735	139,325	72,450	211,775	651,510
World services support	-	-	171,361	171,361	-	-	-	171,361
Depreciation	60,304	26,995	64,742	152,041	28,430	33,734	62,164	214,205
Direct assistance	-	1,075,020	2,485,468	3,560,488	-	-	-	3,560,488
Other expenses	578,806	870,362	515,017	1,964,185	274,734	216,989	491,723	2,455,908
Total Expenses	$ 2,847,156	$ 5,124,466	$ 6,853,553	$ 14,825,175	$ 3,605,737	$ 3,186,748	$ 6,792,485	$ 21,617,660

The accompanying notes to the financial statements are an integral part of these statements.

THE SALVATION ARMY – WISCONSIN AND UPPER MICHIGAN DIVISION
STATEMENTS OF CASH FLOWS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	$ (1,545,645)	$ (1,903,735)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	260,865	214,205
Gain on sale of property and equipment	(12,330)	(5,350)
Changes in:		
Accounts receivable	77,736	(82,853)
Grants receivable	(104,505)	219,198
Related party receivables, net	(1,002,062)	(425,639)
Pledges receivable	(52)	-
Inventory	(7,167)	26,958
Prepaid expenses and deferred charges	62,487	(11,834)
Accounts payable	(42,146)	80,176
Accrued liabilities and other current liabilities	(41,485)	12,349
Net cash flows from operating activities	(2,354,304)	(1,876,525)
Cash flows from investing activities:		
Proceeds from sale of property and equipment	12,330	5,350
Purchase of property and equipment	(279,241)	(313,198)
Net cash flows from investing activities	(266,911)	(307,848)
Net change in cash and cash equivalents	(2,621,215)	(2,184,373)
Cash and cash equivalents, beginning of year	3,905,501	6,089,874
Cash and cash equivalents, end of year	$ 1,284,286	$ 3,905,501

The accompanying notes to the financial statements are an integral part of these statements.

Note 1—Purpose and organization

Organization – The Salvation Army, founded in 1865, is a not-for-profit international religious organization and charitable movement organized and operated on a quasi-military pattern and is a branch of the Christian Church. Its memberships include officers (clergy), soldiers and adherents (laity), members of varied activity groups and volunteers who serve as advisors, associates, and committed participants in its service functions.

The Salvation Army is an organization exempt from income taxation under Section 501(a) as an entity described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "IRC"), as amended and is exempt from state income taxes under related state provisions.

The accompanying financial statements of The Salvation Army – Wisconsin and Upper Michigan Division (Division) include all programs and operations of the Divisional Headquarters, the Army Lake Camp, and the Service Extension Units of the Division, of the Central Territory of The Salvation Army.

The accompanying financial statements do not include the balances and activities of certain trust and endowment funds maintained at The Salvation Army, an Illinois Corporation, Central Territorial Headquarters (Territorial Headquarters). The Division is under the management of the Territorial Headquarters. These financial statements also do not include the Corps Community Centers and other organizations which are managed by the Division.

The Division operates a variety of programs including corps community centers that provide spiritual, educational, and recreational services; homeless and emergency shelters; senior citizens' residences, children's homes, children's day care centers; emergency disaster services; assistance for the poor, disabled, and retired; jail and hospital visitation; camping activities.

Note 2—Significant accounting policies

a. General – Basis of Presentation

The accompanying financial statements have been prepared in accordance with the national accounting policies of The Salvation Army. These policies are consistent with accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

In order to observe restrictions which donors place on grants and other gifts, as well as designations made by the Board of Trustees/Directors, all assets, liabilities, and support and revenue are accounted for in the following net asset classifications:

> *Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed restrictions and may be designated for specific purposes or locations by actions of the Board of Trustees/Directors.
>
> *Net Assets With Donor Restrictions* – Net assets that are subject to donor-imposed restrictions that will be fulfilled either by actions of The Salvation Army or the passage of time or that include a stipulation that assets provided be retained and invested permanently while permitting The Salvation Army to use all or part of the investment return on these specified or unspecified purposes.

b. Cash and Cash Equivalents

For purposes of these statements, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and having original maturities of three months or less.

Note 2—Significant accounting policies (continued)

c. Pledges Receivable

Unconditional pledges receivable are recorded at net realizable value. Pledges receivable that are expected to be collected after one year are recorded at the present value of estimated future cash flows and are discounted using a credit-adjusted discount rate applicable to the year in which the pledge was made. Amortization of the discount is recorded as additional contribution revenue. An allowance for uncollectible pledges receivable is based on management's judgment, including such factors as prior collection history, subsequent collections, creditworthiness of the donor, and nature of the fundraising activity. Pledges are written off when determined to be uncollectible.

d. Inventory

Inventory for goods purchased for resale is stated at lower of cost or net realizable value. Inventory for goods donated for resale is recorded based on estimated fair value.

e. Amounts on Deposit at Territorial Headquarters

Territorial headquarters has the responsibility for investment activity for all units within the territory.

The portfolios related to net assets with donor restrictions are maintained on a pooled "mutual fund" accounting basis with the total earnings, investment expenses, appreciation and depreciation, whether realized or unrealized, being allocated to each participating account on a pro-rata basis.

Investment return earned on portfolios related to net assets without donor restrictions is distributed to the constituent accounts on the basis of a stated percentage of the monthly account balances during the year. Amounts so deposited may be withdrawn when required for use by the local units.

f. Vehicles and Equipment

Vehicles and equipment with a purchase price of $10,000 or more are stated at cost, if donated, at fair value at the date of the donation.

g. Land and Buildings

The buildings that house the Division's activities and Corps Community Center and all improvements to the buildings are owned by Territorial Headquarters. Therefore, they do not appear on the accompanying statements of financial position of the Division. Amounts disbursed for buildings and improvements are presented as transfers to Territorial Headquarters in the statements of activities of the Division.

h. Revenue Recognition

All items of support and revenue are stated on the accrual basis.

Support and revenue are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions that are not fulfilled in the accounting period. All expenses are reported as decreases in net assets without donor restrictions.

Note 2—Significant accounting policies (continued)

h. Revenue Recognition (continued)

Contributions subject to donor-imposed restrictions are recorded as revenue with donor restrictions. When the donor-imposed restriction has been fulfilled or the stipulated time period has elapsed, the net assets are reclassified as net assets without donor restrictions and reported as net assets released from restrictions. Contributions with restrictions that are met during the fiscal year in which they are received are recorded as revenue without donor restrictions. Conditional promises to give and intentions to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. The Division has conditional promises to give of $2,987,221 and $3,394,796 that have not been recognized at September 30, 2024 and 2023, respectively, because qualifying expenditures have not yet been incurred.

A portion of the Division's revenue is derived from state and federal contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expense. Amounts received are evaluated as to whether they qualify as exchange transactions or contributions. If a contract or grant agreement contains a right of return or right of release from the respective obligation provision on the part of the grantor, and the agreement also contains a barrier to be overcome, the Division recognizes revenue for these conditional contributions when the related barrier to entitlement has been overcome. Funds received in advance of conditions being met are reported as other liabilities in the statements of financial position. As of September 30, 2024 and 2023, the Division received no amounts in advance of incurring qualifying expenditures.

The Division recognizes revenue when control of the promised goods or services are transferred to outside parties in an amount that reflects the consideration the Division expects to be entitled to in exchange for those goods or services. Program and service fees are recognized as revenue as the services are provided.

i. Contributed Nonfinancial Assets

The Division receives various types of contributed nonfinancial assets on an annual basis. Contributed nonfinancial assets are recognized at fair value as income in the period they are received and recorded as assets or as part of program or supporting services upon use.

Contributed services, which include professional services from attorneys, accountants, contractors, and other consultants, are reported as contributions at their fair value if such services 1) create or enhance nonfinancial assets, or 2) would typically need to be purchased if not provided by contribution, require specialized skills and are provided by individuals possessing such specialized skills. In addition, the appropriate value of donated services of individuals is recorded as an expense when such services qualify for cost reimbursement from third-party providers.

The Division has a significant number of volunteers who contribute meaningful amounts of time in furtherance of the Division's mission. Such contributions do not meet generally accepted accounting criteria for recognition as contributed services and, accordingly, are not recorded in the statements of activities.

j. Expenses

All expenses are stated on the accrual basis and presented in the accompanying statements of functional expenses and the statements of activities as decrease in net assets without donor restrictions.

Expenses directly attributable to a specific functional category are reported as expenses of those functional categories. Expenses attributable to more than one functional category are allocated across program services and supporting services using a variety of cost allocation techniques.

Note 2—Significant accounting policies (continued)

k. Depreciation

Depreciation is provided on vehicles and equipment (with a purchase price of $10,000 or more) at straight-line rates based on estimated service lives of 4–10 years for vehicles and 3–15 years for equipment. A full year of depreciation is charged in the year of acquisition. No depreciation is charged in the year of disposition.

l. Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

m. Reclassifications

Certain amounts as previously reported have been reclassified in order to conform to the current year presentation.

Note 3—Pledges receivable

Pledges receivable at September 30 include the following:

	2024	2023
United Way (due in less than 1 year)	$ 46,302	$ 46,250

Note 4—Amounts on deposit at territorial headquarters

Deposit at Territorial Headquarters

Salvation Army policy requires that the investment of assets for all centers of operation may be made only through the corporate portfolio under the administration of the Board of Trustees/Directors of the Central Territory of The Salvation Army. Assets that are restricted by donors for use in a center of operation are invested on a pooled mutual fund basis and receive total net rate of return.

Withdrawals from these trust accounts are recognized as other revenue and included within dividends and interest, net of fees and transfers from affiliates in the accompanying statements of activities. The total withdrawals from these trust accounts were $1,666,560 and $1,584,904 for the years ended September 30, 2024 and 2023, respectively. The following is the total value of trust accounts held by the Territorial Headquarters as of September 30, for the benefit of the Division for specific purposes:

	2024	2023
Capital	$ 22,190,026	$ 26,767,217
Operating	1,242,846	1,985,132
Endowment	4,152,997	3,593,618
Total	$ 27,585,869	$ 32,345,967

Note 5—Contributed nonfinancial assets

For the years ended September 30, 2024 and 2023, contributed nonfinancial assets recognized within the statements of activities consisted of the following:

Description	2024	2023	Utilization in Programs/ Services	Donor Restrictions	Valuation Techniques and Inputs
Donated goods	$ 367,412	$ 457,446	Direct assistance	No	Estimates of retail values that would be received for selling similar products in the United States or based upon values provided by third parties.
Donated rent	1,984,812	2,058,850	Occupancy	No	Broker quotes or published pricing sources to estimate fair value comparable facilities in the applicable real estate market.
Total	$ 2,352,224	$ 2,516,296			

Note 6—Pension, retirement, and post-retirement benefit plans

a. Employee Pension Plan

Eligible employees participate in The Salvation Army Pension Plan (the “Plan”) with other Salvation Army territories, which provides for death, disability, and retirement benefits. The Plan is a defined contribution, money purchase plan.

Annual contributions to the Plan are based on a stipulated percentage of employees’ salaries. The Division incurred $300,728 and $282,871 of expense under the Plan for the years ended September 30, 2024 and 2023, respectively.

b. Officers’ Retirement Provision

The Salvation Army has a noncontributory retirement provision for officers, which provides retirement benefits and certain health care and death benefits to retired officers, as defined by Salvation Army policy governing such benefits. The corporate headquarters has total responsibility for the administration of retirement benefits. Retirement allowances are determined based upon active officer allowances and length of service. Provision for these benefits is made principally by annual assessments to all centers of operation, by designating portions of legacy income by earnings on assets designated for retirement benefits and by special appropriations. Amounts charged to the Division and included in expenses for this provision for the years ended September 30, 2024 and 2023 were $66,500 and $72,800, respectively.

Note 7—Net assets with donor restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at September 30, 2024 and 2023:

	2024	2023
Subject to expenditure in future period:		
United Way pledge	$ 46,302	$ 46,250
Subject to expenditure for specified purpose:		
Pathway of Hope	194,223	265,480
Total net assets with donor restrictions	$ 240,525	$ 311,730

Note 8—Net assets released from restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by the donors during the fiscal year:

	2024	2023
Time restriction expired:		
United Way pledge	$ 46,250	$ 46,250
Purpose restrictions accomplished:		
Backpack program	-	27,998
Pathway of Hope	131,257	124,460
Total net assets released from restrictions	$ 177,507	$ 198,708

Note 9—Liquidity and availability of resources

The following reflects the Division's financial assets as of September 30, 2024 and 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of September 30:

	2024	2023
Financial assets at year-end	$ 4,174,458	$ 5,766,790
Less those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	(194,223)	(265,480)
Financial assets available to meet cash needs for general expenditures within one year	$ 3,980,235	$ 5,501,310

The Salvation Army is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, The Salvation Army must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year. As part of the Division's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Salvation Army invests cash in excess of daily requirements in short-term investments. There is a fund established by the Board of Directors/Trustees that may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. In the event of an unanticipated liquidity need, the Division also could borrow funds from Territorial Headquarters.

Note 10—Cash held for others

Cash held for others consist of accounts held for organizations as agency transactions. These funds are reflected as liabilities in the statements of financial position.

Note 11—Fair value of financial instruments

The financial instruments of the Division consist of cash and cash equivalents, accounts receivable, pledges receivable, accounts payable and accrued liabilities, and nominal value assets. These financial instruments are all stated either at cost or net realizable value, which approximates fair value.

Note 12—Contingencies and commitments

The Division in the normal course of its operations, could become a party to various legal proceedings and complaints, the majority of which are covered by insurance. While it is not feasible to predict the ultimate outcomes of such matters, management is not aware of any claims or contingencies, which are not covered by insurance, that would have a material adverse effect on the financial position, changes in net assets, and cash flows of the Division.

Note 13—Related-party transactions

a. Contributions

The Division received financial support from Central Territorial Headquarters for general operations. This financial support is reported as other revenue – transfer from affiliates in the accompanying financial statements. Total contributions from Territorial Headquarters for the years ended September 30, 2024 and 2023 were $1,253,522 and $1,202,189, respectively.

b. Support Services

The Division received revenue from the Corps Community Centers and Service Units for support services. The total support services revenue received for the years ended September 30, 2024 and 2023 was $3,953,437 and $4,121,381, respectively, which is reported in other revenue – program service fees in the accompanying financial statements

c. Other Related-Party Activity at September 30

The Division had the following outstanding receivables as of September 30:

	2024	2023
Corps Community Centers	$ 2,062,564	$ 944,743
County Fund	60,536	44,931
Territorial Headquarters	324,230	400,877
Total	$ 2,447,330	$ 1,390,551

The allowance for uncollectible amounts was $91,553 and $36,836 at September 30, 2024 and 2023, respectively.

Note 13—Related-party transactions (continued)

c. Other Related-Party Activity at September 30 (continued)

The Division had the following outstanding payables as of September 30 and is included in accounts payable and accrued liabilities in the statements of financial position:

	2024	2023
Territorial Headquarters	$ 216,293	$ 282,843

d. Contributed Facilities

The Division occupies, without charge, property that is owned by the Territorial Headquarters. The contributed facilities are recorded as donations in-kind and occupancy expenses at their estimated fair value based on the actual square footage used by the Division. The total donations in-kind and occupancy expenses recorded were $1,984,812 and $2,058,850 for the years ended September 30, 2024 and 2023, respectively.

e. Administrative and Accounting services

The Division provides administrative and accounting services through management fees charged to related service units and corps community centers within the Division's region. This financial support is reported as other revenue – program service fees in the accompanying financial statements. Total fees received from related parties for the years ended September 30, 2024 and 2023 were $1,572,746 and $1,507,486, respectively.

Note 14—Tax status

Territorial Headquarters (an Illinois not-for-profit corporation) is an organization exempt from income taxation under Section 501(a) as an entity described in Section 501(c)(3) of the IRC, as amended, and is exempt from state income taxes under related state provisions. Nevertheless, the Territorial Headquarters may be subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the IRC. The tax years ended 2021, 2022, and 2023 are still open to audit for both federal and state purposes.

The Division recognizes the tax effects from an uncertain tax position in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the position may be challenged. Management has determined that the Division has no uncertain tax positions that would require financial statement recognition or disclosure as of September 30, 2024 and 2023.

Note 15—Subsequent events

The Division has evaluated the need for disclosures and/or adjustments resulting from subsequent events through March 3, 2025, the date the financial statements were available to be issued. During this period, there were no subsequent events that required recognition and/or disclosure in the financial statements.

SINGLE AUDIT REPORTS AND SCHEDULES

Report of Independent Auditor 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*

Divisional Commander
The Salvation Army – Wisconsin and Upper Michigan Division
Wauwatosa, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Salvation Army – Wisconsin and Upper Michigan Division (the "Division"), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated March 3, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Division'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Division's internal control. Accordingly, we do not express an opinion on the effectiveness of the Division'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 and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Division's 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 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.*

Management's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Division's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Division's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Division'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 Division's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Elgin, Illinois
March 3, 2025

Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by The Uniform Guidance

Divisional Commander
The Salvation Army – Wisconsin and Upper Michigan Division
Wauwatosa, Wisconsin

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Salvation Army – Wisconsin and Upper Michigan Division's (the, "Division") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Division's major federal programs for the year ended September 30, 2024. The Division's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

In our opinion, the Division complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Division 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 program. Our audit does not provide a legal determination of the Division'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 Division's federal programs.

Auditor's 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 Division'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 generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance 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 Division's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 Division's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Division'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 the internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Division's internal control. 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 program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 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 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 *Auditor's 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 for our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Elgin, Illinois
March 3, 2025

THE SALVATION ARMY – WISCONSIN AND UPPER MICHIGAN DIVISION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2024

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures	Amounts Passed Through to Subrecipients
U.S. Department of Agriculture				
Pass-through programs from:				
Wisconsin Department of Public Institution:				
Child and Adult Care Food Program - Army Lake Camp	10.558	64-9459	$ 5,680	$ -
Total U.S. Department of Agriculture			5,680	-
U.S. Department of Housing and Urban Development				
Pass-through programs from:				
Wisconsin Department of Administration:				
CDBG Community Development Block Grant - Barron	14.228	CDBG CV 21-28	351,824	-
Total 14.228			351,824	-
Pass-through programs from:				
West Central Wisconsin Community Action Agency:				
Emergency Solutions Grant Program - Grace Place, Somerset	14.231	EHH 23-21	20,000	-
Emergency Solutions Grant Program - Family House, Barron	14.231	EHH 23-21	20,000	-
Pass-through programs from:				
Wisconsin Department of Administration:				
Emergency Solutions Grant Program - Faith House, Burnett	14.231	EHH 23-17	106,950	18,524
Emergency Solutions Grant Program - Hope House, Stevens Point	14.231	EHH 23-18	40,625	4,566
Total 14.231			187,575	23,090

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures	Amounts Passed Through to Subprogram Recipients
Pass-through programs from:				
Wisconsin Department of Administration:				
Home Investment Partnerships Program - Burnett	14.239	TBRA 23-10	$ 244,709	$ -
Home Investment Partnerships Program - Burnett	14.239	TBRA 22-11	427,955	-
Home Investment Partnerships Program - Stevens Point	14.239	TBRA 23-11	15,984	-
Home Investment Partnerships Program - Stevens Point	14.239	TBRA 22-12	57,707	-
Total 14.239			746,355	-
Wisconsin Department of Administration:				
Continuum of Care Program - Burnett	14.267	WI0197L5I002104	25,862	-
Continuum of Care Program - Burnett	14.267	WI0228D5I002203	5,918	-
Continuum of Care Program - Stevens Point	14.267	WI0197L5I002205	30,407	-
Total 14.267			62,187	-
Pass-through programs from:				
Wisconsin Balance of State Continuum of Care:				
Youth Homelessness Demonstration Project	14.276	WI0231Y5I001900	520,570	-
Youth Homelessness Demonstration Project - Burnett	14.276	WI0258Y5I001900	2,295	-
Youth Homelessness Demonstration Project - Burnett	14.276	WI0197L5I002205	56,475	-
Youth Homelessness Demonstration Project - Grace Place	14.276	WI0139L5I032007	17,101	-
Total 14.276			596,441	-
Total U.S. Department of Housing and Urban Development			1,944,382	23,090

THE SALVATION ARMY – WISCONSIN AND UPPER MICHIGAN DIVISION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2024

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures	Amounts Passed Through to Subprogram Recipients
Pass-through programs from:				
U.S. Department of Homeland Security:				
Emergency Food and Shelter National Board Program - Eau Claire	97.024		$ 7,000	$ -
Emergency Food and Shelter National Board Program - Green County	97.024		6,612	-
Emergency Food and Shelter National Board Program - Jefferson County	97.024		10,718	-
Emergency Food and Shelter National Board Program - Polk County	97.024		625	-
Emergency Food and Shelter National Board Program - Calumet County	97.024		9,630	-
Emergency Food and Shelter National Board Program - Dickenson County	97.024		7,527	-
Emergency Food and Shelter National Board Program - Burnett County	97.024		6,778	-
Emergency Food and Shelter National Board Program - Iowa County	97.024		1,789	-
Emergency Food and Shelter National Board Program - Walworth County	97.024		9,761	-
Emergency Food and Shelter National Board Program - Barron County	97.024		500	-
Emergency Food and Shelter National Board Program	97.024		8,042	-
Total U.S. Department of Homeland Security			68,982	-
U.S. Department of Treasury				
Pass-through programs from:				
Wisconsin Department of Administration				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - St. Croix	21.027	ARPA-ERG2-27	225,143	-
Total U.S Department of Treasury			225,143	-
Total Expenditures of Federal Awards			$ 2,244,187	$ 23,090

Note 1—Basis of presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of The Salvation Army – Wisconsin and Upper Michigan Division (the “Division”) for the year ended September 30, 2024, and is presented on the accrual basis of accounting. The information in the Schedule is presented in accordance with the 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”). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

Note 2—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.

Note 3—Indirect cost rate

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

Note 4—Insurance and loans or loan guarantees

During the year ended September 30, 2024, the Division received no loans, loan guarantees, or other federal assistance for the purpose of administering federal programs.

Section I—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency(ies) identified not considered to be a material weakness?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness identified?	No
Significant deficiency(ies) identified not considered to be a material weakness?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major federal programs:

Federal Assistance Listing Number	Name of Federal Program or Cluster
14.239	Home Investment Partnership Program

Dollar threshold used to distinguish between Type A and Type B federal programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

Section II—Financial Statement Findings

Finding 2024-001 – Improper Revenue Recognition – Revenue Cutoff

Criteria – In accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and best practices for not-for-profits, internal controls over the revenue recognition process should be designed to ensure that transactions are recorded in the proper period and properly classified and that the closing process identifies any necessary adjustments.

Condition – The closing process did not identify several revenue transactions that should have been accrued for as of September 30, 2024.

Cause – Inadequate internal control over the recognition of revenue, specifically around transactions occurring near fiscal year-end.

Effect – Errors in recording transactions to the proper period resulted in a misstatement of the financial statements. The errors identified are not considered material to the financial statements as a whole.

Recommendation – We recommend that the Division implement internal controls over the revenue recognition process, with an emphasis on transactions occurring near fiscal year-end, to ensure all necessary adjustments at fiscal year-end are identified, recorded, and reviewed so the financial statements are free from misstatements.

Management's Response – The Division receives financial information from a variety of service units throughout the state of Wisconsin. Communication regarding this information is not always received in a timely manner. We have been working on the accuracy and consistency of this process throughout the year with management and facilitating staff. We will continue to monitor the timeliness of these processes to ensure accuracy in reporting and escalate the requests to supervisory staff as needed. We will ensure a thorough review of financial statements before presentation for the audit.

Finding 2024-002 – New Vendor Creation

Criteria – Internal controls should be in place that prohibit an employee from creating a vendor without a second level of review to deter from the creation of fictitious vendor creation and possible fraudulent payments to a fictitious vendor.

Condition – When gaining an understanding of the internal control environment of the Division, specifically, around the creation of new vendors in the accounting system, it was determined the Division's bookkeeper has the ability to create new vendors in the accounting system without approval. In addition, the Division's bookkeeper has the ability to post payments against accounts payable invoices.

Cause – *I*nadequate internal control over the creation of new vendors in the accounting system.

Effect – Although no errors were identified as a result of audit procedures performed around vendor testing, the internal control environment around vendor creation leaves the Division susceptible to fictitious vendor creation.

Recommendation – We recommend that the Division implement internal controls and processes to ensure a second level of review of all vendors created in the accounting system be performed.

Management's Response – The Division is aware of this issue, and it has been ongoing for several years. The current software used does not support a control for new vendor creation. It is targeted for May 2025 that The Salvation Army will be upgrading to a different accounting software system. It will be noted in configuration of the system that there needs to have a safeguard for vendor creation in place.

Section III—Federal Award Findings and Questioned Costs

None reported for the year ended September 30, 2024.

Finding 2023-001 – New Vendor Creation

Condition – When gaining an understanding of the internal control environment of the Division, specifically, around the creation of new vendors in the accounting system, it was determined the Division's bookkeeper has the ability to create new vendors in the accounting system without approval. In addition, the Division's bookkeeper has the ability to post payments against accounts payable invoices.

Recommendation – The Division should implement internal controls and processes to ensure a second level of review of all vendors created in the accounting system be performed.

Current Status – Finding communicated in fiscal year 2024 as 2024-002.

THE SALVATION ARMY – WISCONSIN AND UPPER MICHIGAN DIVISION
CORRECTIVE ACTION PLAN

YEAR ENDED SEPTEMBER 30, 2024

2024-001 – Improper Revenue Recognition – Revenue Cutoff

Recommendation: The auditors recommend that the Division implement internal controls over the revenue recognition process, with an emphasis on transactions occurring near fiscal year-end, to ensure all necessary adjustments at fiscal year-end are identified, recorded, and reviewed so the financial statements are free from misstatements.

Corrective Action: The Division is aware of this issue. We will implement stricter due dates on financial information received as well as a thorough financial statement review by multiple management staff to ensure accuracy in reporting.

Name of Contact Person Responsible: Lee Ann Girard – Divisional Controller

Proposed Completion Date: September 30, 2025

2024-002 – New Vendor Creation

Recommendation: The auditors recommend that the Division implement internal controls and processes to ensure a second level of review of all vendors created in the accounting system be performed.

Corrective Action: The Division is aware of this control issue. THQ will be implementing new accounting software in the next fiscal year. This upgrade will include controls for new vendor creation and fraud protection.

Name of Contact Person Responsible: Lee Ann Girard – Divisional Controller

Proposed Completion Date: May 3, 2025, with the implementation of Acumatica software

SUPPLEMENTARY INFORMATION

THE SALVATION ARMY – WISCONSIN AND UPPER MICHIGAN DIVISION
SCHEDULE OF EXPENDITURES – STATE OF WISCONSIN

YEAR ENDED SEPTEMBER 30, 2024

Grantor/Pass/Through Grantor/Program Title	Contract Number	Expenditures
State of Wisconsin		
Pass through from Wisconsin Department of Administration:		
State Shelter Subsidy Grant Program - Hope House, Stevens Point	SSSG 24-31	$ 5,883
State Shelter Subsidy Grant Program - Grace Place, St. Croix County	SSSG 24-29	62,400
State Shelter Subsidy Grant Program - Faith House, Burnett County	SSSG 24-27	10,000
State Shelter Subsidy Grant Program - Family House, Barron County	SSSG 24-26	22,638
Total State Shelter Subsidy Grant Program		100,921
Homelessness Prevention Program - Burnett County	EHH 23-17	47,260
Homelessness Prevention Program - Portage County	EHH 23-18	31,385
Total Homelessness Prevention Program		78,645
Total State of Wisconsin Expenditures		$ 179,566

Lyndon Buckingham, General
International Leader

Evie Diaz, Colonel
Central Territorial Commander

Rochelle McClintock, Major
Divisional Commander

DOING THE
MOST GOOD℠

Founded in 1865 by William and Catherine Booth

Wisconsin &
Upper Michigan Division
11315 W. Watertown Plank Road
P.O. Box 26019
Wauwatosa, WI 53226-0019
414.302.4300
Fax 414.302.4314

The Salvation Army has been classified as a 501(c) (3) organization by the Internal Revenue Service under a ruling dated October 10, 1955. This ruling was confirmed in a letter dated April 20, 1972 in which it was also determined that The Salvation Army is not a private foundation under Section 509(a)(1) of the Internal Revenue Code.

As a church, The Salvation Army is exempted from the annual filing of Form 990. Therefore, no such filing has been prepared.

The State of Wisconsin by letter dated January 4, 1973 has ruled that The Salvation Army as a religious organization qualifies as exempt from registration as a charitable organization under Section 440.41(3) (a) of the Wisconsin Statutes. Accordingly, The Salvation Army also claims exemption from the annual Wisconsin Filing requirements for charitable organizations.

The Salvation Army, Wisconsin and Upper Michigan Division is a Nonstock Not-For-Profit corporation incorporated in the State of Illinois. The State of Wisconsin has advised us that as a foreign corporation (incorporated outside of the State of Wisconsin) there is no requirement that The Salvation Army file an annual Nonstock Corporation Report.