

**SHELTER FROM THE STORM MINISTRIES, INC.**

FINANCIAL STATEMENTS

December 31, 2017

## CONTENTS

Independent Auditor's Report .....	1
Statement of Financial Position.....	2
Statement of Activities.....	3
Statement of Functional Expenses .....	4
Statement of Cash Flows .....	5
Notes to Financial Statements .....	6



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Shelter from the Storm Ministries, Inc.  
Sun Prairie, Wisconsin

We have audited the accompanying financial statements of Shelter from the Storm Ministries, Inc., which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Shelter from the Storm Ministries, Inc. as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Wegner CPAs LLP*

Wegner CPAs, LLP  
Madison, Wisconsin  
October 26, 2018

**Janesville Office:**  
101 E. Milwaukee Street  
Suite 425  
Janesville, WI 53545  
P: (608) 756-4020

**Baraboo Office:**  
123 Second Street  
P.O. Box 150  
Baraboo, WI 53913  
P: (608) 356-3966  
F: (608) 356-2966

**Milwaukee Office:**  
W229 N1433 Westwood Drive  
Suite 105  
Waukesha, WI 53186  
P: (262) 522-7555  
F: (262) 522-7550

**Madison Office:**  
2921 Landmark Place  
Suite 300  
Madison, WI 53713  
P: (608) 274-4020  
F: (608) 274-0775

[www.wegnercpas.com](http://www.wegnercpas.com)  
[info@wegnercpas.com](mailto:info@wegnercpas.com)  
(888) 204-7665

**SHELTER FROM THE STORM MINISTRIES, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
December 31, 2017

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 176,825
Promises to give - current portion	1,344
	178,169

**PROPERTY AND EQUIPMENT**

Land	130,000
Land improvements	47,381
Buildings and improvements	914,357
Furniture and fixtures	61,468
Website	4,025
Less accumulated depreciation	(16,196)
	1,141,035

**OTHER ASSETS**

Promise to give - long term	1,312
	1,312

**Total assets**

**\$ 1,320,516**

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 13,158
Other liabilities	4,045
Current portion of note payable	60,502
	77,705

**LONG-TERM LIABILITIES**

Note payable less current portion	472,830
	472,830

Total liabilities 550,535

**NET ASSETS**

Designated for property and equipment	607,703
Undesignated	147,278
	754,981
Unrestricted	754,981
Temporarily restricted	15,000
	769,981

Total net assets 769,981

**Total liabilities and net assets**

**\$ 1,320,516**

See accompanying notes.

**SHELTER FROM THE STORM MINISTRIES, INC.**  
STATEMENT OF ACTIVITIES  
Year ended December 31, 2017

---

---

**UNRESTRICTED NET ASSETS**

SUPPORT AND REVENUE

Contributions	\$ 529,844
Special events	63,115
Other income	<u>957</u>

Total unrestricted support and revenue 593,916

EXPENSES

Program service	133,766
Supporting activities	
Management and general	40,746
Fundraising	<u>19,608</u>

Total expenses 194,120

Change in unrestricted net assets 399,796

**TEMPORARILY RESTRICTED NET ASSETS**

Contributions 15,000

**Change in net assets** 414,796

Net assets - beginning of year 355,185

**Net assets - end of year** \$ 769,981

See accompanying notes.

**SHELTER FROM THE STORM MINISTRIES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year ended December 31, 2017

	Program Service	Management and General	Fundraising	Total
Personnel	\$ 50,711	\$ 13,076	\$ 2,018	\$ 65,805
Office expenses	33,392	9,362	14,056	56,810
Professional fees	5,728	17,462	1,845	25,035
Depreciation	15,521	585	90	16,196
Interest	15,280	-	-	15,280
Occupancy	7,428	-	-	7,428
Insurance	4,256	261	-	4,517
Information technology	-	-	1,599	1,599
Donations and grants	761	-	-	761
Advertising	689	-	-	689
<b>Total expenses</b>	<b>\$ 133,766</b>	<b>\$ 40,746</b>	<b>\$ 19,608</b>	<b>\$ 194,120</b>

See accompanying notes.

**SHELTER FROM THE STORM MINISTRIES, INC.**  
**STATEMENT OF CASH FLOWS**  
Year ended December 31, 2017

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ 414,796
Adjustments to reconcile change in net assets to net cash flows from operating activities	
Contributions restricted for long-term purposes	(145,846)
Depreciation	16,196
Donated property and equipment	(141,167)
Note payable forgiven	(6,000)
Increase in assets	
Promises to give	(2,656)
Increase in liabilities	
Other liabilities	2,535
	137,858
<b>Net cash flows from operating activities</b>	
	137,858
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of property and equipment	(186,339)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from contributions for investment in property and equipment held for leasing	145,846
Principal payments on note payable	(17,625)
	79,740
<b>Net change in cash</b>	
	79,740
Cash - beginning of year	97,085
	176,825
<b>Cash - end of year</b>	
	\$ 176,825
<b>SUPPLEMENTAL DISCLOSURES</b>	
Cash paid for interest net of capitalized amount	\$ 15,280
Noncash investing transactions	
Donated property and equipment	141,167
Acquisition of property and equipment with note payable	55,100
Buildings and improvements acquisitions included in accounts payable	13,158

See accompanying notes.

**SHELTER FROM THE STORM MINISTRIES, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

---

---

Shelter from the Storm Ministries, Inc. is a not-for-profit corporation in Sun Prairie, Wisconsin. The Shelter's purpose is to provide relief, rehabilitation, and development through shelter, training, opportunity, relationship, mentoring, and support. The Shelter is primarily supported by contributions from the public.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Presentation**

The Shelter reports information regarding its financial position and activities according to three classes of net assets:

*Unrestricted net assets*—Net assets that are not restricted by donors. Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes, projects, or investments.

*Temporarily restricted net assets*—Net assets whose use has been limited by donor-imposed time restrictions or purpose restrictions. Temporarily restricted net assets at December 31, 2017 were available for purchasing a shed.

*Permanently restricted net assets*—Net assets that have been restricted by donors to be maintained by the Shelter in perpetuity.

**Promises to Give**

Unconditional promises to give are recognized as revenue or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Promises to give of \$1,344 are due within one year and \$1,312 are due within two years. All amounts are considered collectible.

**Property and Equipment**

Property and equipment is carried at cost or, if donated, at the approximate fair value at the date of donation. The Shelter uses a capitalization policy of \$2,000. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The cost of repairs and maintenance are charged against operations as incurred.

**Contributions**

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.



**SHELTER FROM THE STORM MINISTRIES, INC.**  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2017

---

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Expense Allocation**

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

Direct identifiable expenses are charged to program services and supporting activities when incurred. Expenses related to more than one function are charged to program service and supporting activities on the basis of personnel time. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Shelter.

**Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

**Income Tax Status**

The Shelter is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

**Date of Management’s Review**

Management has evaluated subsequent events through October 26, 2018, the date which the financial statements were available to be issued.

NOTE 2 – DONATED SERVICES

The value of donated services in the financial statements and the corresponding supporting activities for which the contributed services were used are as follows:

	<u>Program Service</u>	<u>Management and General</u>	<u>Total</u>
Accounting	\$ -	\$ 5,000	\$ 5,000
Professional fees	1,000	-	1,000
Total donated services	<u>\$ 1,000</u>	<u>\$ 5,000</u>	<u>\$ 6,000</u>

During 2017, the Shelter received \$36,133 of donated professional services that were capitalized.

**SHELTER FROM THE STORM MINISTRIES, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

---

---

NOTE 3 – NOTE PAYABLE

The note payable at December 31, 2017 consisted of the following:

Note payable, requiring monthly payments of \$528 including principal and interest at a fixed rate of 5.50%, with a final balloon payment due November 2021. The note is secured by real estate and a general business security agreement.	\$ 533,332
Less current portion	<u>60,502</u>
Note payable less current portion	<u>\$ 472,830</u>

Total interest costs incurred for 2017 was \$28,718, of which \$15,280 was charged to interest expense and \$13,438 was capitalized.

Future minimum principal payments are as follows:

2018	\$ 60,502
2019	64,963
2020	68,420
2021	<u>339,447</u>
Total	<u>\$ 533,332</u>