

WELS LUTHERANS FOR LIFE METRO MILWAUKEE, INC.

FINANCIAL STATEMENTS

December 31, 2016

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
WELS Lutherans for Life Metro Milwaukee, Inc.
West Allis, Wisconsin

We have audited the accompanying financial statements of WELS Lutherans for Life Metro Milwaukee, Inc., which comprise the statement of assets and liabilities arising from cash transactions as of December 31, 2016, and the related statements of revenue collected and expenses paid and functional expenses paid 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 the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

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 audit 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 assets, liabilities, and net assets of WELS Lutherans for Life Metro Milwaukee, Inc. as of December 31, 2016, and its revenue collected and expenses paid for the year then ended, in accordance with the basis of accounting as described in Note 1.

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:
W229N1433 Westwood Drive
Suite 105
Waukesha, WI 53186
P: (262) 522-7555
F: (262) 522-7550

Madison Office:
2110 Luann Lane
Madison, WI 53713
P: (608) 274-4020
F: (608) 274-0775

www.wegnercpas.com
info@wegnercpas.com
(888) 204-7665

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Wegner CPAs, LLP

Wegner CPAs, LLP
Waukesha, Wisconsin
February 2, 2017

WELS LUTHERANS FOR LIFE METRO MILWAUKEE, INC.
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
December 31, 2016

ASSETS	
Cash	<u>\$ 130,469</u>
LIABILITIES	
	\$ -
NET ASSETS	
Unrestricted	<u>130,469</u>
Total liabilities and net assets	<u><u>\$ 130,469</u></u>

WELS LUTHERANS FOR LIFE METRO MILWAUKEE, INC.
STATEMENT OF REVENUE COLLECTED AND EXPENSES PAID
Year ended December 31, 2016

SUPPORT AND REVENUE	
Special events	\$ 61,048
Less costs of direct benefits to donors	<u>(8,427)</u>
Special events - net	52,621
Contributions	218,185
Newsletter	21,310
Interest income	<u>71</u>
Total support and revenue	292,187
 EXPENSES	
Program service	
Pregnancy and healthy choices	193,962
Supporting activities	
Management and general	49,847
Fundraising	<u>27,355</u>
Total supporting activities	<u>77,202</u>
Total expenses	<u>271,164</u>
Change in net assets	21,023
Net assets - beginning of year	<u>109,446</u>
Net assets - end of year	<u><u>\$ 130,469</u></u>

WELS LUTHERANS FOR LIFE METRO MILWAUKEE, INC.
STATEMENT OF FUNCTIONAL EXPENSES PAID
Year ended December 31, 2016

	Pregnancy and Healthy Choices	Management and General	Fundraising	Costs of Direct Benefit to Donors	Total
Salaries and wages	\$ 100,608	\$ 22,954	\$ 4,493	\$ -	\$ 128,055
Payroll taxes	7,685	1,719	344	-	9,748
Benefits	17,229	957	957	-	19,143
Retirement	1,945	90	89	-	2,124
Office expenses	-	6,122	-	-	6,122
Telephone	743	2,458	41	-	3,242
Printing and postage	190	5,065	15,072	-	20,327
Occupancy	27,833	6,225	1,245	-	35,303
Information technology	10,356	2,083	417	-	12,856
Travel	4,921	-	-	-	4,921
Promotion and advertising	6,678	-	101	-	6,779
Equipment	573	105	21	-	699
Maintenance and repairs	139	30	6	-	175
Dues and subscriptions	768	659	-	-	1,427
Insurance	3,117	698	139	-	3,954
Event fees and supplies	-	-	4,294	8,427	12,721
Client and counseling service supplies	8,128	-	-	-	8,128
Miscellaneous	3,049	682	136	-	3,867
Total expenses	193,962	49,847	27,355	8,427	279,591
Less expenses included with the support and revenue section on the statement of revenue collected and expenses paid	-	-	-	(8,427)	(8,427)
Total expenses included in the expenses revenue section on the statement of revenue collected and expenses paid	\$ 193,962	\$ 49,847	\$ 27,355	\$ -	\$ 271,164

See accompanying notes.

WELS LUTHERANS FOR LIFE METRO MILWAUKEE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

WELS Lutherans for Life Metro Milwaukee, Inc. (Organization) is a Christian, pro-life ministry proclaiming the Gospel of Jesus Christ and providing practical, emotional and spiritual assistance to women, men and children who face pregnancy related issues, who are threatened by abortion or who have suffered harm from abortion. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization's policy is to prepare its financial statements on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, certain revenue are recognized when received rather than when earned and certain expenses and purchases of assets are recognized when cash is disbursed, rather than when the obligation is incurred.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Support Recognition

Support restricted by the grantor, donor, or other outside party is reported as increases in unrestricted net assets if the restriction expires in the year in which the support is recognized. All other restricted support is reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Income Tax Status

The Organization is an exempt public charity under Section 501(c)(3) of the Internal Revenue Code and therefore is not subject to federal and state income or franchise taxes.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Date of Management's Review

Management has evaluated subsequent events through February 2, 2017, the date which the financial statements were available to be issued.

WELS LUTHERANS FOR LIFE METRO MILWAUKEE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 2 – PENSION PLAN

A Simple IRA is made available to the employees. Pension expense for 2016 was \$2,124.

NOTE 3 – OPERATING LEASES

The Organization leases office space in West Allis, Wisconsin under an operating lease which expires in June 2017. The lease requires monthly payments of \$2,800. Rental expense for 2016 was \$33,850.