



**SHELTER CARE MINISTRIES, INC.**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**For the Years Ended June 30, 2024 and 2023**



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**SHELTER CARE MINISTRIES, INC.**  
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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Shelter Care Ministries, Inc.

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Shelter Care Ministries, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Shelter Care Ministries, Inc. (Organization) as of June 30, 2024, 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.

#### **Basis for Opinion**

We conducted our audit 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 Organization and to meet our other ethical responsibilities in accordance with the 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 audit opinion.

#### **Prior Period Financial Statements**

The financial statements of Shelter Care Ministries, Inc. as of June 30, 2023 were audited by Sikich LLP, whose report dated March 28, 2024, expressed an unmodified opinion on those financial statements. Effective as of April 30, 2024, Sikich LLP reorganized and transferred its attest practice to Sikich CPA LLC, a Virginia limited liability company.

#### **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 Organization'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, 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

## **Other Matters**

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2024 on our consideration of Shelter Care Ministries, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Shelter Care Ministries, Inc.'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 Shelter Care Ministries, Inc.'s internal control over financial reporting and compliance.

*Sikich CPA LLC*

Brookfield, Wisconsin  
December 23, 2024

## **FINANCIAL STATEMENTS**

# SHELTER CARE MINISTRIES, INC.

## STATEMENTS OF FINANCIAL POSITION

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 299,264	\$ 30,771
Cash restricted for vehicle, housing, and supportive program services	43,230	164,169
Accounts receivable	21,296	3,681
Grants receivable	213,508	327,414
Unconditional promises to give, current	-	14,126
Prepaid assets	950	952
	<u>578,248</u>	<u>541,113</u>
Total current assets		
<b>OTHER ASSETS</b>		
Property and equipment - net	684,965	719,821
Operating lease right-of-use asset	48,741	60,332
	<u>733,706</u>	<u>780,153</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,311,954</u>	<u>\$ 1,321,266</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 1,880	\$ 3,152
Accrued liabilities	58,032	44,890
Operating lease liability, current portion	11,363	10,442
	<u>71,275</u>	<u>58,484</u>
Total current liabilities		
<b>LONG-TERM LIABILITIES</b>		
Operating lease liability, noncurrent portion	38,638	50,001
	<u>38,638</u>	<u>50,001</u>
Total long-term liabilities		
Total liabilities	<u>109,913</u>	<u>108,485</u>
<b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	1,156,294	1,031,969
Board designated	2,517	2,517
	<u>1,158,811</u>	<u>1,034,486</u>
Total net assets without donor restrictions		
With donor restrictions	43,230	178,295
	<u>43,230</u>	<u>178,295</u>
Total net assets	<u>1,202,041</u>	<u>1,212,781</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,311,954</u>	<u>\$ 1,321,266</u>

See accompanying notes to financial statements.

**SHELTER CARE MINISTRIES, INC.**

## STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2024

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	<b>2024</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUE</b>			
Contributions	\$ 129,743	\$ 870	\$ 130,613
Governmental grants	1,237,229	-	1,237,229
Grants	146,820	26,241	173,061
In-kind contributions	170,936	-	170,936
Midtown rental income	53,095	-	53,095
Fundraising	68,755	-	68,755
Other income	4,867	-	4,867
Net assets released from restrictions	162,176	(162,176)	-
Total revenue	1,973,621	(135,065)	1,838,556
<b>EXPENSES</b>			
Program services	1,586,339	-	1,586,339
Management and general	211,241	-	211,241
Fund raising	44,424	-	44,424
Costs of direct benefits to donors	7,292	-	7,292
Total expenses	1,849,296	-	1,849,296
CHANGE IN NET ASSETS	124,325	(135,065)	(10,740)
NET ASSETS, BEGINNING OF YEAR	1,034,486	178,295	1,212,781
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 1,158,811</b>	<b>\$ 43,230</b>	<b>\$ 1,202,041</b>

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See accompanying notes to financial statements.



**SHELTER CARE MINISTRIES, INC.**

## STATEMENT OF ACTIVITIES (Continued)

For the Year Ended June 30, 2023

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE</b>			
Contributions	\$ 127,512	\$ 5,600	\$ 133,112
Governmental grants	659,825	-	659,825
Grants	183,288	158,569	341,857
In-kind contributions	153,570	-	153,570
Midtown rental income	48,470	-	48,470
Fundraising	78,784	-	78,784
Other income	9,031	-	9,031
Net assets released from restrictions	46,825	(46,825)	-
Total revenue	1,307,305	117,344	1,424,649
<b>EXPENSES</b>			
Program services	1,086,161	-	1,086,161
Management and general	228,810	-	228,810
Fund raising	58,070	-	58,070
Costs of direct benefits to donors	8,286	-	8,286
Total expenses	1,381,327	-	1,381,327
CHANGE IN NET ASSETS	(74,022)	117,344	43,322
NET ASSETS, BEGINNING OF YEAR	1,108,508	60,951	1,169,459
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 1,034,486</b>	<b>\$ 178,295</b>	<b>\$ 1,212,781</b>

See accompanying notes to financial statements.

**SHELTER CARE MINISTRIES, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended June 30, 2024

	Program Services			Supporting Services			
	Homeless Program	Jubilee Drop in Center	Total Programs	Management & General	Fund Raising	Cost of Direct Benefit to Donors	Total Expenses
Client food	\$ 795	\$ 5,043	\$ 5,838	\$ -	\$ -	\$ -	\$ 5,838
Scattered site housing							
Rent and utilities	479,211	132,453	611,664	-	-	-	611,664
Furnishings	50,157	19,115	69,272	-	-	-	69,272
Maintenance	24,367	1,717	26,084	-	-	-	26,084
Salaries, benefits, and payroll taxes	252,596	275,300	527,896	105,178	4,139	-	637,213
Vehicle expense	20,077	1,302	21,379	1,155	-	-	22,534
Client household items	29,192	37,286	66,478	-	-	-	66,478
Dues, publications, and seminars	1,367	2,194	3,561	1,632	-	-	5,193
Office expense	1,162	522	1,684	16,243	-	-	17,927
Insurance	7,544	22,379	29,923	17,940	14	-	47,877
Professional fees	5,196	5,204	10,400	29,345	38,288	-	78,033
Repairs and maintenance	7,538	1,494	9,032	2,170	-	-	11,202
Rent and utilities	9,902	821	10,723	18,476	-	-	29,199
Rent - in-kind	-	104,459	104,459	-	-	-	104,459
Telephone	5,264	6,024	11,288	1,546	-	-	12,834
Advertising	-	-	-	416	-	-	416
Meals and entertainment	-	-	-	1,111	-	7,292	8,403
Miscellaneous	10,227	1,160	11,387	7,039	1,623	-	20,049
Other program expenses	748	18,574	19,322	-	-	-	19,322
	905,343	635,047	1,540,390	202,251	44,064	7,292	1,793,997
Expenses before depreciation	21,986	23,963	45,949	8,990	360	-	55,299
Depreciation							
<b>TOTAL EXPENSES</b>	<b>\$ 927,329</b>	<b>\$ 659,010</b>	<b>\$ 1,586,339</b>	<b>\$ 211,241</b>	<b>\$ 44,424</b>	<b>\$ 7,292</b>	<b>\$ 1,849,296</b>

See accompanying notes to financial statements.

**SHELTER CARE MINISTRIES, INC.**

STATEMENT OF FUNCTIONAL EXPENSES (Continued)

For the Year Ended June 30, 2023

	Program Services			Supporting Services			
	Homeless Program	Jubilee Drop in Center	Total Programs	Management & General	Fund Raising	Cost of Direct Benefit to Donors	Total Expenses
Client food	\$ -	\$ 8,146	\$ 8,146	\$ -	\$ -	\$ -	\$ 8,146
Scattered site housing							
Rent and utilities	257,986	22,821	280,807	-	-	-	280,807
Furnishings	31,230	396	31,626	-	-	-	31,626
Maintenance	18,980	-	18,980	-	-	-	18,980
Salaries, benefits, and payroll taxes	208,143	215,389	423,532	116,670	14,194	-	554,396
Vehicle expenses	3,924	4,573	8,497	-	-	-	8,497
Client household items	34,210	16,534	50,744	-	-	-	50,744
Dues, publications, and seminars	875	1,720	2,595	1,709	80	-	4,384
Office expense	548	1,709	2,257	5,535	8,796	-	16,588
Insurance	7,439	14,784	22,223	17,229	3	-	39,455
Professional fees	1,914	7,911	9,825	26,898	32,500	-	69,223
Repairs and maintenance	963	2,712	3,675	11,692	-	-	15,367
Rent and utilities	3,076	841	3,917	21,960	-	-	25,877
Rent in-kind	-	102,827	102,827	-	-	-	102,827
Telephone	3,462	7,134	10,596	2,166	-	-	12,762
Advertising	-	-	-	1,332	-	-	1,332
Meals and entertainment	-	-	-	582	-	8,286	8,868
Bad debt expense	31,451	-	31,451	-	-	-	31,451
Miscellaneous	6,130	47	6,177	11,223	1,060	-	18,460
Other program expenses	3,795	21,606	25,401	-	-	-	25,401
	614,126	429,150	1,043,276	216,996	56,633	8,286	1,325,191
Expenses before depreciation	21,076	21,809	42,885	11,814	1,437	-	56,136
Depreciation							
<b>TOTAL EXPENSES</b>	<b>\$ 635,202</b>	<b>\$ 450,959</b>	<b>\$ 1,086,161</b>	<b>\$ 228,810</b>	<b>\$ 58,070</b>	<b>\$ 8,286</b>	<b>\$ 1,381,327</b>

See accompanying notes to financial statements.

# SHELTER CARE MINISTRIES, INC.

## STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (10,740)	\$ 43,322
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	55,299	56,136
Bad debt expense	-	31,451
Non-cash operating lease expense	1,149	111
Decrease (increase) in		
Accounts receivable	(17,615)	(3,658)
Grants receivable	113,906	(210,589)
Unconditional promises to give	14,126	16,984
Prepaid assets	2	(287)
Increase (decrease) in		
Accounts payable	(1,272)	(191)
Accrued liabilities	13,142	(5,934)
Net cash from operating activities	<u>167,997</u>	<u>(72,655)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	<u>(20,443)</u>	<u>(35,596)</u>
Net cash from investing activities	<u>(20,443)</u>	<u>(35,596)</u>
NET CHANGE IN CASH AND RESTRICTED CASH	147,554	(108,251)
CASH AND RESTRICTED CASH, BEGINNING OF YEAR	<u>194,940</u>	<u>303,191</u>
<b>CASH AND RESTRICTED CASH, END OF YEAR</b>	<u>\$ 342,494</u>	<u>\$ 194,940</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash	\$ 299,264	\$ 30,771
Cash restricted for vehicle, housing, and supportive program services	<u>43,230</u>	<u>164,169</u>
<b>CASH AND RESTRICTED CASH, END OF YEAR</b>	<u>\$ 342,494</u>	<u>\$ 194,940</u>
<b>RIGHT-OF-USE ASSETS OBTAINED IN EXCHANGE FOR LEASE LIABILITIES</b>	<u>\$ -</u>	<u>\$ 61,295</u>

See accompanying notes to financial statements.

# SHELTER CARE MINISTRIES, INC.

## NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended June 30, 2024 and 2023

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### 1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Activities

Shelter Care Ministries, Inc. (the "Organization") is a nonprofit organization founded in 1985. The Organization's mission is to provide shelter, awaken hope and honor dignity in every person who seeks comfort, support or assistance through our programs. The Organization's focus is on individuals with a chronic mental illness and families that are homeless in the Winnebago/Boone County area.

#### Method of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

#### Net Assets Without Donor Restrictions:

Net assets that are not subject to donor-imposed restrictions or imposed stipulations by the Organization's Board of Directors (the Board).

#### Net Assets With Donor Restrictions:

Net assets subject to donor-imposed restrictions that either expire by passage of time, can be fulfilled and removed by actions of the Organization pursuant to those restrictions or are required to be maintained in perpetuity by the Organization. Generally, the donors of the assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. The Organization did not have any net assets required to be held in perpetuity as of June 30, 2024 and 2023.

#### Use of Estimates

The preparation of financial statements in conformity with GAAP 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 revenues and expenses during the reporting period. Actual results could differ from these estimates.

**1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Subsequent Events

Subsequent events are events or transactions that occur after year end but before financial statements are issued or are available to be issued. These events and transactions either provide additional evidence about conditions that existed at year end, including estimates inherent in the process of preparing financial statements (that is, recognized subsequent events), or provide evidence about conditions that did not exist at year end but arose after that date (that is, non-recognized subsequent events).

The Organization has evaluated subsequent events through December 23, 2024, the date on which the financial statements were available to be issued and determined that there were no significant nonrecognized subsequent events through that date.

Cash and Cash Equivalents

The Organization considers all short-term investments in interest-bearing bank accounts, debt securities and other instruments having an original maturity of three months or less, to be equivalent to cash. The Organization did not hold any cash equivalents at June 30, 2024 and 2023.

The Organization maintains its cash in financial institutions, which at times may exceed federally insured limits. At June 30, 2024 and 2023, the Organization's cash accounts did not exceed the federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Grants Receivable

Grants receivable consists primarily of amounts due from a governmental agency for program costs incurred and are carried at the amount management expects to collect from outstanding balances. Amounts are reviewed for collectability by management and an allowance for credit losses is recorded as needed based on experience, third-party contracts and other circumstances which may offset the ability of grantors to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. After all attempts to collect the receivable have failed, the receivable is written off against the allowance. Grants receivable are due from government sources therefore zero credit losses are expected for the years ended June 30, 2024 and 2023. However, actual write-offs may occur.

**1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Unconditional Promises to Give

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in more than one year are discounted at a rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue and used in accordance with donor-imposed restrictions. Based on management's judgment and analysis of the credit worthiness of the donors and other relevant factors, management has determined an allowance is not necessary for June 30, 2024 and 2023. However, actual write-offs may occur.

Revenue Recognition

*Contributions*

Contributions, including unconditional promises to give, are recognized as revenue when received. Conditional contributions and promises to give are recognized as revenue when the barriers to entitlement are overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets is removed. Assets received for which the condition has not been satisfied are recorded as a refundable advance on the statements of financial position. There were no conditional contributions as of June 30, 2024 and 2023.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

*In-Kind Contributions*

Donated services are recognized as revenue if the services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and typically need to be purchased if not provided by donation. Contributed services that do not meet the above criteria are not recognized as revenues and expenses and are not reported in the accompanying financial statements. The estimated fair value of donated services, materials and use of facilities is reflected in the statements of activities.

**1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenue Recognition (Continued)

*Grants*

A portion of the Organization's revenue is derived from cost-reimbursable grants, which are conditioned upon the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable grant advance in the statements of financial position. There are no amounts received in advance from cost-reimbursement grants for the years ended June 30, 2024 and 2023. The Organization had approximately \$215,000 of cost-reimbursable grants that were not recognized as of June 30, 2024 because the qualifying expenditures had not yet been incurred. The Organization did not have any cost-reimbursable grants that were not recognized as of June 30, 2023 because the qualifying expenditures had not yet been incurred.

In addition, the Organization receives funding from non-cost reimbursement based grants that have conditions that must be met with a measurable performance or other barrier and right of return. These grants are not recognized until the conditions on which they depend have been met. During 2024 and 2023, the Organization did not receive payments on grants with a right of return.

Grants received from non-government sources are primarily received from individuals and other third-party organizations. Revenue from these grants are non-exchange in nature and recorded when conditions per the grant agreement are met and all barriers are overcome. Grants received with donor restrictions that are met in the same reporting period are reported as support without donor restrictions.

*Governmental Agencies Grant Revenue*

The Organization recognized revenues from contracts with state and federal governmental agencies of \$1,237,229 in 2024 and \$659,825 in 2023. Contract terms are established through an annual grant application process and, ultimately, a grant agreement with the Illinois Department of Human Services and the United States Department of Housing and Urban Development. Grant amounts awarded and the specific purpose the grant monies are to be used for are stated in the grant agreements. Payments from the Illinois Department of Human Services and the United States Department of Housing and Urban Development are considered third-party reimbursements on behalf of the families and Jubilee members receiving housing and supportive services and are treated as exchange transactions. Payments are to be made monthly by the Illinois Department of Human Services and the United States Department of Housing and Urban Development. No payments, discounts or financing options are provided.



**SHELTER CARE MINISTRIES, INC.**  
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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**1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenue Recognition (Continued)

*Governmental Agencies Grant Revenue* (Continued)

The Organization considers the performance obligation to be providing housing and supportive services, and the performance obligation is satisfied when the housing and supportive services are provided to the families and Jubilee members. Revenue is recognized over time using the elapsed method, an output method, as the families and Jubilee members are simultaneously receiving and consuming the benefits of housing and supportive services. The Organization feels this output method is the most faithful depiction of the transfer of goods or services as the result achieved represents a satisfaction of the performance obligations, and neither the families or the Jubilee members, nor the Organization are obligated beyond that time.

*Special Events*

Revenue from special events contains an exchange element based on the value of benefits provided and a contribution element for the difference between the total amounts paid and the exchange element. The Organization recognizes the exchange portion of special events revenue equal to the fair value of direct benefits to donors when the event takes place and contribution revenue for the excess received. Any amounts received in advance of when the event occurs are presented as contract liabilities in deferred revenue. There were no amounts received in advance as of June 30, 2024 and 2023.

*Significant Judgments and Estimates*

There are no significant judgments or estimates involved in the recognition of revenue from any of the revenue streams.

*Disaggregation of Revenue from Contracts with Customers*

	<u>2024</u>	<u>2023</u>
Special event revenue recognized at a point in time	\$ 7,292	\$ 8,286
Governmental grants recognized over time	1,237,229	659,825
<b>TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS</b>	<u>\$ 1,244,521</u>	<u>\$ 668,111</u>

**SHELTER CARE MINISTRIES, INC.**  
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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**1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenue Recognition (Continued)

*Contract Assets and Liabilities*

Contract assets include amounts due under the terms of the contracts as of June 30, 2024, 2023, and 2022. There are no contract liabilities as of June 30, 2024, 2023 and 2022. Beginning and ending contract assets are included with accounts receivable and grants receivable on the statements of financial position and were as follows as of June 30:

	<u>2024</u>		<u>2023</u>		<u>2022</u>
Contract assets-accounts receivable	\$ 21,296	\$	3,681	\$	23
Contract assets-grants receivable	213,508		327,414		148,276

Property and Equipment

Property and equipment are valued at cost if purchased or fair value as of the date donated, with an expected life greater than one year and a cost greater than \$1,000. Maintenance and repair costs are charged to expense as incurred. Gains or losses on disposition of property and equipment are reflected in revenue. Depreciation is computed on a straight-line basis over the estimated useful lives. Estimated lives of property and equipment are as follows:

	<u>Years</u>
Buildings	39
Leasehold improvements	5-39
Vehicles	7
Furniture and equipment	3-7

Leasehold improvements are depreciated over the shorter of the lease term or useful life.

Leases

The Organization leases office space and apartments. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the statements of financial position. The Organization does not have any financing leases.

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

**1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Leases (Continued)

The Organization's leases do not provide an implicit rate and therefore the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives.

The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Leases with an initial term of 12 months or less are not recorded on the statements of financial position and lease expense is recognized on a straight-line basis over the lease term. The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Organization accounts for the lease and non-lease components as a single lease component. For arrangements accounted for as a single lease component, there may be variability in future lease payments as the amount of the non-lease components is typically revised from one period to the next.

Functional Allocation of Expenses

The costs of program and supporting service activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs are attributed to more than one program or supporting function and, therefore, require allocation among the programs and supporting services benefited. Salaries, benefits, and payroll taxes are allocated based on time and effort. Vehicle expenses, dues, publications and seminars, office expenses, insurance, professional fees, repairs and maintenance, rent and utilities, and telephone are allocated based on salaries, benefits, and payroll taxes. Depreciation expense is allocated based on square footage.

Income Tax Status

The Organization is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the code as other than a private foundation.

The Organization evaluates its uncertain tax provisions on an annual basis, and there have been no recorded uncertain tax provisions in 2024 or 2023. Therefore, no provision for liability for income taxes has been included in the financial statements. The Organization files various federal or state non-profit tax returns. The Organization is no longer subject to U.S. federal or state examination by tax authorities for tax years prior to 2020.

**SHELTER CARE MINISTRIES, INC.**  
NOTES TO THE FINANCIAL STATEMENTS (Continued)

**1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Recently Adopted Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board (FASB) issued new guidance, Accounting Standards Update (ASU) 2016-13, that created Topic 326, Financial Instruments-Credit Losses, in the Accounting Standards Codification (ASC). Topic 326 significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through the change in net assets. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses.

The Organization adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements or disclosures.

**2. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within twelve months of the statement of financial position date, comprise the following as of June 30:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 299,264	\$ 30,771
Cash restricted for vehicle, housing, and supportive program services	43,230	164,169
Accounts receivable	21,296	3,681
Grants receivable	213,508	327,414
Unconditional promises to give	-	14,126
	<hr/>	<hr/>
Total financial assets and liquid resources	577,298	540,161
Less: Board designated and donor imposed restrictions		
Time & purpose restriction	(43,230)	(164,169)
Board designated	(2,517)	(2,517)
	<hr/>	<hr/>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 531,551</u>	<u>\$ 373,475</u>

The Organization does not have a formal liquidity policy.

**SHELTER CARE MINISTRIES, INC.**  
NOTES TO THE FINANCIAL STATEMENTS (Continued)

**3. UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give consisted of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Due within one year	\$ -	\$ 14,126
Due in one to five years	-	-
<b>NET UNCONDITIONAL PROMISES TO GIVE</b>	<u>\$ -</u>	<u>\$ 14,126</u>

**4. IN-KIND CONTRIBUTIONS**

The Organization received the following contributions of nonfinancial assets for the years ending June 30:

	<u>2024</u>	<u>2023</u>
Donated materials and supplies	\$ 66,477	\$ 50,743
Donated rent	104,459	102,827
<b>TOTAL</b>	<u>\$ 170,936</u>	<u>\$ 153,570</u>

The Organization receives contributions of donated materials and supplies without restrictions. The donated goods are valued utilizing the Salvation Army's method of valuation, which utilizes a low and high valuation form to determine the value of the goods. The donated goods consist of various household goods and supplies and were used in the Organization's program services.

The Organization also receives in-kind rent without restrictions which is utilized in the Jubilee and Maya House programs. The value of rent received is based on the fair value of rent for similar surrounding properties. The donated rent is used in the Organization's program services.

The Organization has a conditional contribution for in-kind space through an agreement to utilize space in the Jubilee program through December 2106. This agreement can be cancelled by either party at any time.

**5. BOARD DESIGNATED ENDOWMENT**

As of June 30, 2024 and 2023, the Board of Directors has designated \$2,517 of net assets without donor restrictions as a general endowment fund to provide an additional source of support for the Organization's activities. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as net assets without donor restrictions. The Organization has a spending policy of appropriating for distributions based on investment earnings and the Organization's management.

**SHELTER CARE MINISTRIES, INC.**  
NOTES TO THE FINANCIAL STATEMENTS (Continued)

**5. BOARD DESIGNATED ENDOWMENT (Continued)**

Investment Return Objective, Risk Parameters and Strategies: The Organization has adopted an informal investment policy for endowment assets that attempts to provide a predictable stream of funding to its programs. Accordingly, the investment process seeks to achieve an after-cost total real rate of return with acceptable levels of risk.

Endowment assets are intended to result in a consistent rate of return and sufficient liquidity to make distributions when necessary. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the funds to unacceptable levels of risk.

**6. PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Land	\$ 18,060	\$ 18,060
Buildings	187,473	187,473
Leasehold improvements	1,179,602	1,159,158
Vehicles	84,383	84,383
Furniture and equipment	148,821	148,821
	<u>1,618,339</u>	<u>1,597,895</u>
Less: Accumulated depreciation	(933,374)	(878,074)
<b>PROPERTY AND EQUIPMENT, NET</b>	<u><u>\$ 684,965</u></u>	<u><u>\$ 719,821</u></u>

**7. LEASES**

The Organization has operating leases for office space and apartments. Leases have remaining lease terms of 1 to 5 years.

The components of lease expense were as follows for the years ending June 30:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 13,200	\$ 10,350
Short-term lease cost	407,275	280,807
Variable lease cost	-	543
<b>TOTAL</b>	<u><u>\$ 420,475</u></u>	<u><u>\$ 291,700</u></u>

**SHELTER CARE MINISTRIES, INC.**  
NOTES TO THE FINANCIAL STATEMENTS (Continued)

**7. LEASES (Continued)**

Other information related to leases was as follows as of June 30:

	<u>2024</u>	<u>2023</u>
Supplemental cash flows information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 12,050	\$ 10,250
Right-of-use assets obtained in exchange for lease obligation		
Operating leases	\$ -	\$ 61,295
Weighted average remaining lease term		
Operating leases	3.9	4.9
Weighted average discount rate		
Operating leases	2.94%	2.94%

Future minimum lease payments under non-cancellable leases as of June 30, 2024 were as follows:

<u>Year Ending June 30,</u>	
2025	\$ 12,650
2026	13,250
2027	13,850
2028	<u>13,200</u>
Total future minimum lease payments	52,950
Less: Imputed interest	<u>(2,949)</u>
TOTAL	<u>\$ 50,001</u>

**8. RENTAL INCOME**

The Organization, as lessor, leases apartments to third parties under lease agreements which expire from July 31, 2024 through May 31, 2025. The total carrying value of the underlying buildings which are leased is \$86,369 and \$91,160 as of June 30, 2024 and 2023, respectively. The total rental income under the leases was \$53,095 and \$48,470 for the years ended June 30, 2024 and 2023, respectively.

**SHELTER CARE MINISTRIES, INC.**  
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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**8. RENTAL INCOME (Continued)**

The following is a summary of the future minimum rental income from operating leases with third parties having lease terms in excess of one year at June 30:

	<u>Amount</u>
2025	<u>\$ 32,150</u>
TOTAL	<u><u>\$ 32,150</u></u>

**9. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Restricted as to time and purpose		
Time restriction	\$ -	\$ 14,126
Vehicle, housing, and supportive program services	<u>43,230</u>	<u>164,169</u>
TOTAL	<u><u>\$ 43,230</u></u>	<u><u>\$ 178,295</u></u>

**10. CONTINGENCIES**

The Organization received a grant through the Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) which was forgiven by the Small Business Administration (SBA) during the year ending June 30, 2022.

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan is repaid in full or forgiveness has been provided by the SBA and to provide documentation to the SBA upon request. The Organization does not believe the results of any audits or reviews by the SBA would have a material impact on the financial statements.



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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Shelter Care Ministries, Inc.  
Rockford, Illinois

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 Shelter Care Ministries, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated December 23, 2024.

**Report on Internal Control over Financial Reporting**

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

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

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.

## **Report on Compliance and Other Matters**

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

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

*Sikich CPA LLC*

Brookfield, Wisconsin  
December 23, 2024

**SHELTER CARE MINISTRIES, INC.**

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

For the Year Ended June 30, 2024

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**I. Summary of Auditor’s Results**

**Financial Statements**

Type of Auditors Report Issued	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	___ Yes	<u> X </u> No
Significant deficiency(ies) identified?	___ Yes	<u> X </u> None Reported
Noncompliance material to financial statements noted?	___ Yes	<u> X </u> No

**II. Financial Statement Findings**

None

**III. Prior Audit Findings**

**FINDING 2023-01**

**Condition:** During our audit, we noted several adjustments required to properly reflect financial information in accordance with accounting principles generally accepted in the United States of America (GAAP). The entries, collectively, resulted in a material misstatement to the change in net assets and to individual financial statement line items. The entries made were to properly record the following:

- Depreciation expense and fixed assets
- Pledges receivable and revenue
- Opening balances - certain statement of financial position accounts and net assets
- Write off uncollectible grants receivable

**Recommendation:** We recommend the Organization review the year-end financial close procedures in place to improve the effectiveness of the process to ensure all information is properly recorded and review internal control procedures for effectiveness in identifying errors in the financial statements.

**Current Status:** Not repeated

**SHELTER CARE MINISTRIES, INC.**

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS (Continued)**

For the Year Ended June 30, 2024

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**IV. Other Issues**


Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern  Yes  No

Does the audit report show audit issues (i.e. - material noncompliance, nonmaterial noncompliance, questioned costs, material weaknesses, reportable condition, manage letter comment) related to grants/ contracts with funding agencies that require audits to be in accordance with the DHS audit guide:

Illinois Department of Health Services  Yes  No

Was a management letter or other document conveying audit comments issued as a result of this audit?  Yes  No

Name and Signature of Director:



Ashley Johnson, CPA  
December 23, 2024

17335 Golf Parkway, Suite 500  
Brookfield, WI 53045  
262.754.9400

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## **INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION**

Board of Directors  
Shelter Care Ministries, Inc.

We have audited the financial statements of Shelter Care Ministries, Inc. as of and for the year ended June 30, 2024, and have issued our report thereon dated December 23, 2024, which expressed an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Consolidated Year-End Financial Report is presented for purposes of additional analysis, as required by the Illinois Grant Accountability and Transparency Act, and is 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 audit 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.

*SiKich CPA LLC*

Brookfield, Wisconsin  
December 23, 2024

**Illinois Grant Accountability and Transparency Act  
Grantee Portal - Audit Consolidated Year-End Financial Report**

[Grantee Portal](#) / [Audit Reviews](#) / [Audit](#) / CYEFR

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Add a Program

Mark Complete

Comment

	CSFA #	Program Name	State	Federal	Match	Total
<a href="#">View</a>	444-80-0496	Emergency Solutions Grant Program	0.00	67,007.69		67,007.69
<a href="#">View</a>	444-80-0656	Emergency and Transitional Housing Program	260,233.00	0.00		260,233.00
<a href="#">View</a>	444-80-0658	Supportive Housing Program	101,414.00	0.00		101,414.00
<a href="#">View</a>	444-80-3152	Scattered Site Permanent Supportive Housing Program (SS-PSH)	162,244.75	0.00		162,244.75
<a href="#">View</a>	444-80-3153	Rapid Rehousing Program (RRH)	115,023.53	0.00		115,023.53
<a href="#">Edit</a>		All other federal expenditures		559,769.27		559,769.27
Totals:			638,915.28	626,776.96	0.00	1,265,692.24

Agency	Department Of Human Services (444)
Program	Emergency Solutions Grant Program (444-80-0496) <i>This program as added due to awards found in the CSFA. It cannot be removed.</i>
State Amount Expended	\$ 0.00
Federal Amount Expended	\$ 67007.69

Expended Amount	Category
47077.45	Personal Services (Salaries and Wages)
5532.57	Fringe Benefits
0.00	Travel
0.00	Equipment
2406.71	Supplies
0.00	Contractual Services
0.00	Consultant (Professional Services)
0.00	Construction
0.00	Occupancy - Rent and Utilities
0.00	Research and Development
2004.10	Telecommunications
0.00	Training and Education
6420.00	Direct Administrative Costs
3566.86	Miscellaneous Costs
0.00	Client Assistance
0.00	Grant Exclusive
<b>67,007.69</b>	<b>Total Direct Expended</b>
0.00	Indirect Costs
<b>67,007.69</b>	<b>Total Amount Expended</b>

Agency	Department Of Human Services (444)
Program	Emergency and Transitional Housing Program (444-80-0656) <i>This program as added due to awards found in the CSFA. It cannot be removed.</i>
State Amount Expended	\$ 260233.00
Federal Amount Expended	\$ 0.00

Expended Amount	Category
41426.85	Personal Services (Salaries and Wages)
7082.16	Fringe Benefits
7447.00	Travel
10000.00	Equipment
9559.00	Supplies
0.00	Contractual Services
0.00	Consultant (Professional Services)
0.00	Construction
148196.00	Occupancy - Rent and Utilities
0.00	Research and Development
2118.00	Telecommunications
1245.00	Training and Education
13813.00	Direct Administrative Costs
19345.99	Miscellaneous Costs
0.00	Client Assistance
<b>260,233.00</b>	<b>Total Direct Expended</b>
0.00	Indirect Costs
<b>260,233.00</b>	<b>Total Amount Expended</b>



Agency	Department Of Human Services (444)
Program	Supportive Housing Program (444-80-0658) <i>This program as added due to awards found in the CSFA. It cannot be removed.</i>
State Amount Expended	\$ 101414.00
Federal Amount Expended	\$ 0.00

Expended Amount	Category
41294.14	Personal Services (Salaries and Wages)
6523.86	Fringe Benefits
13500.00	Travel
0.00	Equipment
27548.00	Supplies
0.00	Contractual Services
0.00	Consultant (Professional Services)
0.00	Construction
0.00	Occupancy - Rent and Utilities
0.00	Research and Development
0.00	Telecommunications
0.00	Training and Education
12548.00	Direct Administrative Costs
0.00	Miscellaneous Costs
0.00	Grant Exclusive - Client Assistance
<b>101,414.00</b>	<b>Total Direct Expended</b>
0.00	Indirect Costs
<b>101,414.00</b>	<b>Total Amount Expended</b>

Agency	Department Of Human Services (444)
Program	Scattered Site Permanent Supportive Housing Program (SS-PSH) (444-80-3152) <i>This program as added due to awards found in the CSFA. It cannot be removed.</i>
State Amount Expended	\$ 162244.75
Federal Amount Expended	\$ 0.00

Expended Amount	Category
21100.25	Personal Services (Salaries and Wages)
2698.44	Fringe Benefits
4455.00	Travel
0.00	Equipment
13500.00	Supplies
0.00	Contractual Services
0.00	Consultant (Professional Services)
0.00	Construction
108461.00	Occupancy - Rent and Utilities
0.00	Research and Development
969.00	Telecommunications
0.00	Training and Education
7791.09	Direct Administrative Costs
3269.97	Miscellaneous Costs
<b>162,244.75</b>	<b>Total Direct Expended</b>
0.00	Indirect Costs
<b>162,244.75</b>	<b>Total Amount Expended</b>

Agency	Department Of Human Services (444)
Program	Rapid Rehousing Program (RRH) (444-80-3153) <i>This program as added due to awards found in the CSFA. It cannot be removed.</i>
State Amount Expended	\$ 115023.53
Federal Amount Expended	\$ 0.00

Expended Amount	Category
18100.00	Personal Services (Salaries and Wages)
2885.09	Fringe Benefits
2880.00	Travel
0.00	Equipment
13500.00	Supplies
0.00	Contractual Services
0.00	Consultant (Professional Services)
0.00	Construction
67005.00	Occupancy - Rent and Utilities
0.00	Research and Development
1074.00	Telecommunications
0.00	Training and Education
7707.40	Direct Administrative Costs
1872.04	Miscellaneous Costs
<b>115,023.53</b>	<b>Total Direct Expended</b>
0.00	Indirect Costs
<b>115,023.53</b>	<b>Total Amount Expended</b>



Administering peer reviews for the following:

[Illinois CPA Society](#) | [Indiana CPA Society](#) | [Iowa Society of CPAs](#) | [Kentucky Society of CPAs](#)  
[South Carolina Association of CPAs](#) | [West Virginia Society of CPAs](#) | [Wisconsin Institute of CPAs](#)

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November 17, 2023

Christopher Geier  
Sikich LLP  
1415 W DIEHL RD STE 400  
NAPERVILLE, IL 60563-1197

Dear Christopher Geier:

It is my pleasure to notify you that on November 17, 2023, the Peer Review Alliance Committee accepted the report on the most recent System Review of your firm. The due date for your next review is September 30, 2026. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

*Peer Review Committee*

Peer Review Committee

peerreview@icpas.org  
800.993.0407, then dial 4

cc: Mark Hinsen, Christopher Rabin

Firm Number: 900010098516

Review Number: 601341

## Report on the Firm's System of Quality Control

August 30, 2023

To the Partners of Sikich LLP  
and the Peer Review Alliance Report Acceptance Committee

We have reviewed the system of quality control for the accounting and auditing practice of Sikich LLP (the firm) in effect for the year ended March 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at <http://www.aicpa.org/prsummary>. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### Required Selections and Considerations

Engagements selected for review included (engagements performed under *Government Audit Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, and examinations of service organizations [SOC 1 and SOC 2 engagements]).

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### **Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of Sikich LLP in effect for the year ended March 31, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Sikich LLP has received a peer review rating of *pass*.

A handwritten signature in blue ink that reads "Anders Minkler Huber & Helm LLP". The signature is written in a cursive, flowing style.

**ANDERS MINKLER HUBER & HELM LLP**  
**Certified Public Accountants**