

SHEPHERD'S CENTER OF KANSAS CITY, KANSAS, INC.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

With Report of Certified Public Accountants

SHEPHERD'S CENTER OF KANSAS CITY, KANSAS, INC.

TABLE OF CONTENTS

	<u>Page Number</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities and, Changes in Net Assets	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to Financial Statements	7-10

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Shepherd's Center of Kansas City, Kansas, Inc.

We have audited the accompanying statement of financial position of Shepherd's Center of Kansas City, Kansas, as of December 31, 2020, and the related statements of activities and changes in net assets, cash flows, functional expenses, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 i 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 Shepherd's Center of Kansas City, Kansas, as of December 31, 2020, and the related statements of activities and changes in its net assets, cash flows and functional expenses for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Walsh CPA, LLC

Kansas City Kansas
October 3, 2021

SHEPHERD'S CENTER OF KANSAS CITY, KANSAS, INC.
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2020

	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total</u>
ASSETS			
<u>CURRENT ASSETS</u>			
Cash and cash equivalents	\$ 53,014	\$ 10,011	\$ 63,025
Investment account, at market value	56,914	-	56,914
Pledges receivable	300	-	300
Grant receivable	-	35,600	35,600
Prepaid expenses	2,121	-	2,121
	<u>112,349</u>	<u>45,611</u>	<u>157,960</u>
Total Current Assets			
<u>PROPERTY AND EQUIPMENT</u>			
Furniture and equipment	26,717	-	26,717
Less: Accumulated depreciation	(26,717)	-	26,717
	<u>-</u>	<u>-</u>	<u>-</u>
Net Property and Equipment			
TOTAL ASSETS	<u><u>\$ 112,349</u></u>	<u><u>\$ 45,611</u></u>	<u><u>\$ 157,960</u></u>
LIABILITIES AND NET ASSETS			
<u>CURRENT LIABILITIES</u>			
Accounts payable	\$ 96	\$ -	\$ 96
	<u>96</u>	<u>-</u>	<u>96</u>
Total Liabilities			
<u>NET ASSETS</u>			
Without Donor Restrictions			
Operations	112,253		112,253
With Donor Restrictions			
Grants	-	37,672	37,672
Other	-	7,939	7,939
	<u>112,253</u>	<u>45,611</u>	<u>157,864</u>
Total Net Assets			
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 112,349</u></u>	<u><u>\$ 45,611</u></u>	<u><u>\$ 157,960</u></u>

See notes to financial statements

**SHEPHERD'S CENTER OF KANSAS CITY, KANSAS, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

FOR THE YEAR ENDED DECEMBER 31, 2020

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total Net Assets
SUPPORT AND REVENUE			
Gifts and donations	\$ 15,085	\$ 10,305	\$ 25,390
United Way	6,750	-	6,750
Program activities	239	-	239
Grants from foundations and government	43,100	35,600	78,700
Special events	7,095	-	7,095
Investment income	79	-	79
Unrealized gain(loss) on investments	5,983	-	5,983
Funds released from restriction	34,374	(34,374)	-
	<u>112,705</u>	<u>11,531</u>	<u>124,236</u>
TOTAL SUPPORT AND REVENUE			
EXPENSES			
Program Services			
Senior support programs	13,700	-	13,700
Minor home repair program	50,596	-	50,596
Lifelong learning programs	36,508	-	36,508
	<u>100,804</u>	<u>-</u>	<u>100,804</u>
Total Program Services			
Support Services			
Fundraising	15,988	-	15,988
Management and general	8,742	-	8,742
	<u>24,730</u>	<u>-</u>	<u>24,730</u>
Total Support Services			
	<u>125,534</u>	<u>-</u>	<u>125,534</u>
TOTAL EXPENSES			
CHANGE IN NET ASSETS	(12,829)	11,531	(1,298)
NET ASSETS, BEGINNING OF YEAR	<u>125,082</u>	<u>34,080</u>	<u>159,162</u>
NET ASSETS, END OF YEAR	<u>\$ 112,253</u>	<u>\$ 45,611</u>	<u>\$ 157,864</u>

See notes to financial statements

**SHEPHERD'S CENTER OF KANSAS CITY, KANSAS, INC.
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ (1,298)
Adjustments to reconcile change in net assets to net cash provided by (used by) operating activities:	
Unrealized gain on investments	(5,983)
Change in pledges receivable	15,485
Change in grants receivable	(20,600)
Change in prepaid expenses	(53)
Change in accounts payable	<u>4</u>
Net cash provided by (used by) operating activities	<u>(12,445)</u>
 CASH FLOWS FROM INVESTING	
	<u>-</u>
Net cash provided by (used by) investing	<u>-</u>
 CASH FLOWS FROM FINANCING	
	<u>(-)</u>
Net cash provided by (used by) financing	<u>(-)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(12,445)
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>75,470</u>
CASH AND CASH EQUIVALENTS, End of Year	<u><u>\$ 63,025</u></u>

Interest expense paid for the year was \$0.

See notes to financial statements

SHEPHERD'S CENTER OF KANSAS CITY, KANSAS, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services			Supporting Services			Total Program and Supporting Services
	Senior Support Programs	Minor Home Repair Program	Lifelong Learning Programs	Management and General	Fund Raising	Total	
Personnel expenses	\$ 10,044	\$ 32,406	\$ 27,647	\$ 70,097	\$ 9,281	\$ 15,809	\$ 85,906
Other personnel expenses	20	133	736	889	13	27	916
Total salaries and related expenses	10,064	32,539	28,383	70,986	9,294	15,836	86,822
Corporate Insurance	288	575	671	1,534	192	384	1,918
Bank Service Charges	-	-	-	-	87	107	107
Direct individual assistance	-	11,604	-	11,604	-	-	11,604
Fundraising Supplies	-	-	-	-	4,426	4,426	4,426
Dues & Subscriptions	170	331	490	991	112	223	1,214
Equipment Lease/Maintenance	583	957	1,198	2,738	342	684	3,422
Food & Meal Expense	228	16	96	340	5	10	350
Printing & Copying	25	47	56	128	16	32	160
Newsletter	276	448	564	1,288	161	322	1,610
Postage & Shipping	186	398	435	1,019	124	248	1,267
Audit & Tax Preparation	360	720	840	1,920	240	480	2,400
Office & Program Supplies	4	38	258	300	2	4	304
Office & Program Space	1,165	2,236	2,646	6,047	756	1,512	7,559
Telecommunications	351	687	806	1,844	231	462	2,306
Marketing & Public Relations	-	-	65	65	-	-	65
Total Functional Expenses	\$ 13,700	\$ 50,596	\$ 36,508	\$ 100,804	\$ 15,988	\$ 24,730	\$ 125,534

See notes to financial statements

**SHEPHERD'S CENTER OF KANSAS CITY, KANSAS, INC.
NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Shepherd's Center of Kansas City, Kansas, Inc. is a not-for-profit organization devoted to developing the potential and demonstrating the effectiveness of its members in participation in community affairs. It is exempt from Federal income taxes under section 501(C) (3) of the Internal Revenue Code.

The significant accounting policies of Shepherd's Center of Kansas City, Kansas, Inc. are described below:

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Depreciation

The Organization follows the practice of capitalizing all expenditures for equipment at cost. Donated property is recorded at its fair market value at date of gift. Depreciation on equipment is provided on a straight-line basis over the estimated useful lives of the assets. All assets are fully depreciated and there is no expense for the year ended December 31, 2017. Estimated useful lives were as follows:

Furniture	10 years
Computer and peripherals	5 years

Donated Services

A substantial contribution of time and services has been made to the Organization by a number of volunteers. The value of this contributed time is not reflected in these statements since it is not susceptible to objective measurement or valuation.

SHEPHERD'S CENTER OF KANSAS CITY, KANSAS, INC.
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Statement of Cash Flows

For purposes of the statement of cash flows, the Organization considers investments with a maturity of one year or less to be cash equivalents.

Income Taxes

The Organization is exempt from Federal income taxes under Section 501(c) (3) of the Internal Revenue Code and annually files a 990 (Return of Organization Exempt from Income Tax). There was no unrelated business income tax for 2019. Management has reviewed all open tax returns from all jurisdictions and there are no uncertain tax positions or other provision for unrelated business income that should be recognized in these financial statements.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting policies generally accepted in the United States of America.

Financial Statement Presentation

The Organization has adopted Statement of Financial Standards (SFAS) No. 117, Financial Statements of Not-for Profit Organizations. Under SFAS No. 117, the Agency 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. In addition, the Organization is required to present a statement of cash flows. As permitted by SFAS No. 117, the Organization has, for reporting purposes, reclassified its financial statements to present the three classes of net assets required.

The Organization has also adopted SFAS No. 116 Accounting for Contributions Received and Contributions Made. Contributions and support received are recorded as described below:

Unrestricted support is recognized as received and represents resources over which the board of directors has discretionary control and is used to carry out the operations of the organization.

SHEPHERD'S CENTER OF KANSAS CITY, KANSAS, INC.
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Temporarily restricted support is recognized when received and is reclassified from temporarily restricted net assets to unrestricted net assets when the donor's restriction is satisfied or when the stipulated time has passed. Temporarily restricted net assets include support received from the grants and contributions from various foundations, businesses and individuals.

Permanently Restricted Support is recognized when received and typically are endowments under which the principal must remain intact.

Revenue Recognition

All contributions are considered to be available for the unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted increases that category of net assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

NOTE 2: MAJOR CONTRIBUTOR

During the 2018 fiscal year, the Organization received a contribution of \$45,000 from a Foundation of which \$30,000 was restricted for use over the next two years (2019 and 2020). \$15,000 was received in 2020.

NOTE 3: SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes. Management evaluated the activity of the organization through October 17, 2020 and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

SHEPHERD'S CENTER OF KANSAS CITY, KANSAS, INC.
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

NOTE 4: INVESTMENT FUND

The Financial Accounting Standards Board in SFAS 115 and 157 identifies three valuation techniques, for reporting fair value of investments summarized as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at December 31, 2020. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable either directly or indirectly. This is generally used when observable inputs for similar assets and liabilities in active markets or in markets that are not active and inputs other than quoted prices are observable.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at December 31, 2020.

The mutual fund was valued using Level 1 inputs at December 31, 2020 as this security has active market quotes. Using "mark- to-market accounting", an unrealized gain of \$5,983 was recorded as income in the statement of activities and changes in net assets.