

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

FINANCIAL STATEMENT

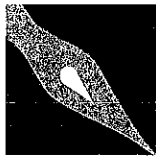
YEAR ENDED DECEMBER 31, 2011

With Report of Certified Public Accountant

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

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AUDITOR'S REPORT

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

I have audited the accompanying statement of financial position of Shepherd's Center of Kansas City, Kansas, Inc., a not-for-profit organization, as of December 31, 2011 and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, I express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Shepherd's Center of Kansas City, Kansas, Inc., as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

A Susan L. Wolski, CPA

October 26, 2012

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

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2011

	<u>ASSETS</u>		
	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total</u>
<u>CURRENT ASSETS</u>			
Cash	\$ 57,827	\$ 18,102	\$ 75,929
Pledges receivable	<u>5,040</u>	<u>-</u>	<u>5,040</u>
Total Current Assets	<u>62,867</u>	<u>18,102</u>	<u>80,969</u>
<u>PROPERTY AND EQUIPMENT</u>			
Furniture and equipment	42,000	-	42,000
Less: Accumulated depreciation	<u>(42,000)</u>	<u>-</u>	<u>(42,000)</u>
Net Property and Equipment	<u>0</u>	<u>-</u>	<u>0</u>
TOTAL ASSETS	<u>\$ 62,867</u>	<u>\$ 18,102</u>	<u>\$ 80,969</u>
 <u>LIABILITIES AND NET ASSETS</u>			
<u>CURRENT LIABILITIES</u>			
Accounts payable	\$ 1,972	\$ -	\$ 1,972
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET ASSETS</u>			
Current unrestricted	60,895	-	60,895
Temporarily restricted	<u>-</u>	<u>18,102</u>	<u>18,102</u>
Total Net Assets	<u>60,895</u>	<u>18,102</u>	<u>78,997</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 62,867</u>	<u>\$ 18,102</u>	<u>\$ 80,969</u>

See notes to financial statements

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

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total</u>
REVENUES:			
Program activities	\$ 3,116	\$ -	\$ 3,116
United Way	9,025	-	9,025
Gifts and donations	30,501		30,501
Grants from foundations	16,500	56,500	73,000
Interest and dividend income	829	-	829
Fund raising	20,584		20,584
Net assets released from Restrictions	<u>48,868</u>	<u>(48,868)</u>	<u>-</u>
Total revenues	<u>129,423</u>	<u>7,632</u>	<u>137,055</u>
EXPENSES:			
Home services	64,824	-	64,824
Health services	8,789	-	8,789
Education	28,331	-	28,331
Next Chapter	29,120	-	29,120
Management and general	9,388	-	9,388
Fund raising	<u>19,087</u>	<u>-</u>	<u>19,087</u>
Total Expenses	<u>159,539</u>	<u>-</u>	<u>159,539</u>
CHANGES IN NET ASSETS	(30,116)	7,632	(22,484)
NET ASSETS, BEGINNING OF YEAR	<u>91,011</u>	<u>10,470</u>	<u>101,481</u>
NET ASSETS, END OF YEAR	<u>\$ 60,895</u>	<u>\$ 18,102</u>	<u>\$ 78,997</u>

See notes to financial statements.

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2011

CASH PROVIDED BY (USED FOR) OPERATING
ACTIVITIES:

Net changes in assets	\$(22,484)
Adjustments to reconcile net income to net cash provided by operating activities-	
Depreciation	425
Changes in assets and liabilities –	
Decrease in pledges receivable	8,288
Increase in accounts payable	<u>1,972</u>
Net cash provided (used) by operating activities	(<u>11,799</u>)
NET CASH USED BY INVESTING	
Purchase of equipment	<u>-</u>
Net cash used by investing	<u>-</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(11,799)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>87,728</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$ 75,929</u>

See notes to financial statements

SHEPHERD'S CENTER OF KANSAS CITY, KANSAS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2011

	Program Services				Supporting Services			Total Program and Supporting Services
	Services	Health	Education Programs	Next Chapter	Total	Management and General	Fund Raising	
Salaries	\$ 29,997	\$ 4,077	\$ 12,231	\$ 13,410	\$ 59,715	\$ 6,115	\$ 6,115	\$ 12,230
Employee benefits	4,224	1,027	2,934	4,984	13,169	536	526	1,062
Payroll taxes, etc.	2,590	362	1,077	1,120	5,149	1,285	1,285	2,570
Total salaries and related expenses	36,811	5,466	16,242	19,514	78,033	7,936	7,926	15,862
Professional fees	22,087	1,289	2,848	8,242	34,466	321	3,381	3,702
Supplies	267		882	300	1,449	55	4,225	4,280
Telephone/DSL	655	246	573	-	1,474	82	82	164
Postage and shipping	552	206	1,882	-	2,640	68	614	682
Occupancy	-	-	800	-	800	-	750	750
Rental & maintenance of equipment	739	18	42	-	799	6	6	12
Printing and Publications	1,617	876	1,920	481	4,894	163	1,079	1,242
Travel/Mileage	-	-	607	125	732	-	-	-
Agency sponsored Meeting	-	-	1,141	178	1,319	-	-	-
Membership dues	503	189	440	-	1,132	163	63	226
Marketing	599	75	151	280	1,105	22	850	872
Insurance	884	332	774	-	1,990	110	111	221
Miscellaneous	110	92	29	-	231	37	-	37
Total before depreciation	64,824	8,789	28,331	29,120	131,064	8,963	19,087	28,050
Depreciation	-	-	-	-	-	425	-	425
Total Functional Expenses	\$ 64,824	\$ 8,789	\$ 28,331	\$ 29,120	\$ 131,064	\$ 9,388	\$ 19,087	\$ 28,475

See notes to financial statements

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

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

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. Estimated useful lives are 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, 2011

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.

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 when 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, 2011

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.

NOTE 2- 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 26, 2012 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.