

FINANCIAL STATEMENTS



**FOR THE YEAR ENDED DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2018**

THE SHEPHERD'S TABLE, INC.

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Shepherd's Table, Inc.
Silver Spring, Maryland

We have audited the accompanying financial statements of The Shepherd's Table, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 financial position of the Organization as of December 31, 2019, and the change 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.

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Report on Summarized Comparative Information

We have previously audited the Organization's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 24, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Gelman Rosenberg & Freedman

July 28, 2020

THE SHEPHERD'S TABLE, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018

ASSETS

	<u>2019</u>	<u>2018</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 870,289	\$ 947,144
Investments	776,180	658,771
Contributions receivable	435,822	65,055
Pledges receivable	-	28,232
Prepaid expenses	15,160	13,881
Deposits	<u>2,000</u>	<u>2,000</u>
Total current assets	<u>2,099,451</u>	<u>1,715,083</u>
FIXED ASSETS		
Furniture and equipment	122,270	83,206
Website development	3,500	-
Less: Accumulated depreciation and amortization	<u>(77,935)</u>	<u>(68,740)</u>
Net fixed assets	<u>47,835</u>	<u>14,466</u>
TOTAL ASSETS	<u>\$ 2,147,286</u>	<u>\$ 1,729,549</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued liabilities	\$ 28,261	\$ 17,663
Accrued salaries and related benefits	<u>8,470</u>	<u>3,462</u>
Total liabilities	<u>36,731</u>	<u>21,125</u>

NET ASSETS

Without donor restrictions	1,810,234	1,629,897
With donor restrictions	<u>300,321</u>	<u>78,527</u>
Total net assets	<u>2,110,555</u>	<u>1,708,424</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,147,286</u>	<u>\$ 1,729,549</u>

THE SHEPHERD'S TABLE, INC.

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND SUPPORT				
Contributions	\$ 1,074,902	\$ 349,774	\$ 1,424,676	\$ 1,037,148
Government grants	264,851	-	264,851	220,553
Workplace giving	28,353	-	28,353	32,835
Investment income (loss), net	135,710	-	135,710	(27,279)
Contributed services and materials	1,262,541	-	1,262,541	1,426,084
Net assets released from donor restrictions	<u>122,480</u>	<u>(122,480)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>2,888,837</u>	<u>227,294</u>	<u>3,116,131</u>	<u>2,689,341</u>
EXPENSES				
Program Services	<u>1,981,321</u>	<u>-</u>	<u>1,981,321</u>	<u>2,381,646</u>
Supporting Services:				
Management and General	395,941	-	395,941	109,910
Fundraising	<u>331,238</u>	<u>-</u>	<u>331,238</u>	<u>188,634</u>
Total supporting services	<u>727,179</u>	<u>-</u>	<u>727,179</u>	<u>298,544</u>
Total expenses	<u>2,708,500</u>	<u>-</u>	<u>2,708,500</u>	<u>2,680,190</u>
Change in net assets before other item	180,337	227,294	407,631	9,151
OTHER ITEM				
Uncollectible pledges	<u>-</u>	<u>(5,500)</u>	<u>(5,500)</u>	<u>(19,008)</u>
Change in net assets	180,337	221,794	402,131	(9,857)
Net assets at beginning of year	<u>1,629,897</u>	<u>78,527</u>	<u>1,708,424</u>	<u>1,718,281</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,810,234</u>	<u>\$ 300,321</u>	<u>\$ 2,110,555</u>	<u>\$ 1,708,424</u>

THE SHEPHERD'S TABLE, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

	2019				2018	
	Supporting Services			Total Supporting Services	Total Expenses	Total Expenses
	Program Services	Management and General	Fundraising			
Salaries and benefits	\$ 600,465	\$ 205,376	\$ 189,183	\$ 394,559	\$ 995,024	\$ 892,564
Food	568,339	13	421	434	568,773	545,854
Clothing and other supplies	428,685	104	161	265	428,950	636,705
Rent	238,476	83,375	75,445	158,820	397,296	385,724
Professional fees	1,000	87,777	27,973	115,750	116,750	69,544
Information technology	37,806	1,417	6,659	8,076	45,882	6,816
Meetings/conferences	19,932	303	8,510	8,813	28,745	21,077
Printing	15,983	1,321	10,979	12,300	28,283	21,207
Repairs and maintenance	22,478	912	446	1,358	23,836	26,071
Insurance	9,295	3,250	2,941	6,191	15,486	13,052
Physicians	13,300	-	-	-	13,300	5,857
Depreciation and amortization	5,385	2,106	1,704	3,810	9,195	8,020
Miscellaneous	1,861	4,641	2,630	7,271	9,132	10,252
Telephone	3,086	1,079	976	2,055	5,141	5,756
Postage and deliveries	1,973	690	2,075	2,765	4,738	-
Eye clinic - glasses and supplies	4,102	-	-	-	4,102	1,918
Security services	2,420	1,231	280	1,511	3,931	16,240
Prescriptions	3,186	-	-	-	3,186	3,621
Dues and memberships	-	1,486	708	2,194	2,194	4,692
Tokens	2,000	-	-	-	2,000	3,625
Gifts	1,047	767	32	799	1,846	846
Travel	502	93	115	208	710	749
TOTAL	\$ 1,981,321	\$ 395,941	\$ 331,238	\$ 727,179	\$ 2,708,500	\$ 2,680,190

See accompanying notes to financial statements.

THE SHEPHERD'S TABLE, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 402,131	\$ (9,857)
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	9,195	8,020
Realized loss (gain) on sale of investments	64	(3,695)
Unrealized (gain) loss on investments	(105,076)	63,026
Receipt of donated securities	(11,918)	(5,269)
Sale of donated securities	12,000	5,344
Realized gain on sale of donated securities	(82)	(75)
Change in allowance for bad debt	-	(11,654)
(Increase) decrease in:		
Contributions receivable	(370,767)	69,508
Pledges receivable	28,232	179,530
Prepaid expenses	(1,279)	(5,323)
Increase in:		
Accounts payable and accrued liabilities	10,598	5,386
Accrued salaries and related benefits	<u>5,008</u>	<u>962</u>
Net cash (used) provided by operating activities	<u>(21,894)</u>	<u>295,903</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(42,564)	-
Purchases of investments	(76,135)	(68,250)
Proceeds from sales of investments	<u>63,738</u>	<u>42,774</u>
Net cash used by investing activities	<u>(54,961)</u>	<u>(25,476)</u>
Net (decrease) increase in cash and cash equivalents	(76,855)	270,427
Cash and cash equivalents at beginning of year	<u>947,144</u>	<u>676,717</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 870,289</u>	<u>\$ 947,144</u>

THE SHEPHERD'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The Shepherd's Table, Inc. (the Organization) was formed in 1983 as a non-profit organization. The principle function of the Organization is to help develop a sense of community responsibility by working with churches, synagogues, community service organizations, and individuals who share a common concern for the disadvantaged in the community by mobilizing volunteers and members to serve in the Montgomery County area, and more particularly, the Silver Spring, Takoma Park community. The Organization operates a soup kitchen known as "The Shepherd's Table" to serve hot, nutritious, free meals daily for the needy in the area, and to do so without regard to race, creed, religion, color, sex, handicap, or national origin. The Organization provides clothes and showers, prescriptions, eye care, supportive and referral services and any other assistance that the directors consider appropriate.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions".
- **Net Assets With Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Change in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

The financial statements include certain prior year summarized comparative information in total but not by net asset class; such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

New accounting pronouncements adopted -

During 2019, the Organization early adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. The ASU provides a framework for recognizing revenue and is intended to improve comparability of revenue recognition practices across for-profit and non-profit entities. Analysis of the various provisions of this standard resulted in no significant changes in the way the Organization recognized revenue; however, the presentation and disclosures of revenue have been enhanced.

THE SHEPHERD'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**
(Continued)

New accounting pronouncements adopted (continued) -

The Organization has elected to opt out of all (or certain) disclosures not required for nonpublic entities and also elected a modified retrospective approach for implementation.

Also during 2019, the Organization adopted ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improve guidance to better distinguish between conditional and unconditional contributions. The Organization adopted the ASU using a modified prospective basis.

Cash and cash equivalents -

The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, the Organization maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at their readily determinable fair value. Interests, dividends, realized and unrealized gains and losses net of investment expenses are included in investment income (loss) on the Statement of Activities and Change in Net Assets.

Contributions and pledges receivable -

Contributions and pledges receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Fixed assets -

Fixed assets in excess of \$2,000 are capitalized and stated at cost. Furniture and equipment is depreciated on a straight-line basis over the estimated useful lives of the related assets, generally five to ten years. The cost of maintenance and repairs is recorded as expenses are incurred. Website development costs are amortized over five years once placed in service. Costs incurred for the ongoing maintenance of the existing website are expensed as incurred. The capitalization and ongoing assessment of recoverability of website development costs incurred require reasonable judgment by management with respect to certain external factors, including, but not limited to, technological and economic feasibility and estimated economic life. Depreciation and amortization expense during the year ended December 31, 2019 totaled \$9,195.

Income taxes -

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Organization is not a private foundation.

THE SHEPHERD'S TABLE, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Uncertain tax positions -

For the year ended December 31, 2019, the Organization has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes, and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Contributions and grants -

The majority of the Organization's revenue is received through contributions and grants from local government and other grantors. Contributions and grants are recognized in the appropriate category of net assets in the period received. The Organization performs an analysis of the individual contribution and grant to determine if the revenue streams follow the contributions rules or if considered an exchange transaction depending on whether the transaction is reciprocal or nonreciprocal.

For contributions and grants qualifying under the contributions rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the condition on which they depend are substantially met. Contributions and grants and contracts qualifying as contributions that are unconditional that have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

Grants and contracts classified as exchange transactions follow ASU 2014-09, *Revenue from Contracts With Customers* and record revenue when the performance obligations are met. The revenue is recorded directly to without donor restrictions and the transaction price is based on expenses incurred in compliance with the criteria stipulated in the grant or contract agreements. Grants and contracts receivable represents amounts due from funding organizations for reimbursable expenses incurred in accordance with the grant and contract agreements.

Contributed services and materials -

Contributed services and materials consist of food, clothing, supplies, office space, and professional services. Contributed services and materials are recorded at their fair value as of the date of the gift. In addition, volunteers have donated significant amounts of their time to the Organization; these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets.

THE SHEPHERD'S TABLE, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Functional allocation of expenses (continued) -

Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of the Organization are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

Investment risks and uncertainties -

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Fair value measurement -

The Organization adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. The Organization accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

2. INVESTMENTS

Investments consisted of the following as of December 31, 2019:

	Fair Value
Mutual stock funds	\$ 212,226
Mutual bond funds	322,422
Exchange traded products	241,532
TOTAL INVESTMENTS	\$ 776,180

Included in investment income are the following:

Interest and dividends	\$ 36,126
Unrealized gain	105,076
Realized loss	(64)
Management fees	(5,428)
TOTAL INVESTMENT INCOME, NET	\$ 135,710

THE SHEPHERD'S TABLE, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

2. INVESTMENTS (Continued)

In accordance with FASB ASC 820, *Fair Value Measurement*, the Organization has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Organization has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used at December 31, 2019. There were no transfers between levels in the fair value hierarchy during the year ended December 31, 2019. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Mutual Stock funds* - Valued at the closing price reported on the active market in which the individual securities are traded.
- *Mutual Bonds funds* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.
- *Exchange traded products* - Exchange traded products include exchange-traded funds (ETFs), exchange-traded notes (ETNs), and other exchange-traded vehicles. Valued at the closing price reported on the active market in which the individual securities are traded.

The table below summarizes, the investments measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2019.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset Class:				
Mutual stock funds	\$ 212,226	\$ -	\$ -	\$ 212,226
Mutual bond funds	322,422	-	-	322,422
Exchange traded products	<u>241,532</u>	<u>-</u>	<u>-</u>	<u>241,532</u>
TOTAL	<u>\$ 776,180</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 776,180</u>

THE SHEPHERD'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2019:

Program services	\$ 77,070
Time restricted	<u>223,251</u>
NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 300,321</u>

The following net assets with donor restrictions were released from donor restrictions by incurring expenses or through the passage of time which satisfied the restricted purposes specified by the donors:

Program services	\$ 99,749
Passage of time	<u>22,731</u>
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 122,480</u>

4. CONTRIBUTED SERVICES AND MATERIALS

During the year ended December 31, 2019, the Organization was the beneficiary of donated goods and services which allowed the Organization to provide greater resources toward various programs.

To properly reflect total program expenses, the following donations have been included in revenue and expense for the year ended December 31, 2019.

Donated food	\$ 438,515
Donated non-food items	395,530
Donated rent	397,296
Donated IT and accounting services	<u>31,200</u>
TOTAL	<u>\$ 1,262,541</u>

5. LIQUIDITY

Financial assets available for use within one year of the Statement of Financial Position comprise the following at December 31, 2019:

Cash and cash equivalents	\$ 870,289
Contributions receivable	435,822
Investments	776,180
Amounts unavailable for general expenditure within one year due to donor's restrictions	<u>(77,070)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 2,005,221</u>

The Organization has various sources of liquidity at its disposal, including cash and cash equivalents and investments, which are for general expenditures, liabilities, and other obligations as they come due. Management is focused on sustaining the financial liquidity of the Organization throughout the year.

THE SHEPHERD'S TABLE, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

5. LIQUIDITY (Continued)

This is done through monitoring and reviewing the Organization's cash flow needs on a monthly basis. As a result, management is aware of the cyclical nature of the Organization's cash flow related to the Organization's various funding sources and is therefore able to ensure that cash is available to meet current liquidity needs. As part of its liquidity plan, excess cash is placed in various bank accounts and investment accounts to ensure they are protected under the FDIC limits. These accounts can be liquidated as needed therefore the investments are available to meet current cash flow needs.

6. SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 28, 2020, the date the financial statements were issued.

Effective January 1, 2020, the Organization provides a 403(b) retirement plan to its employees through a defined contribution plan. The Organization may make matching contributions to each eligible employee.

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen which may negatively impact the Organization's operations. The overall potential impact is unknown at this time.

On April 29, 2020, the Organization entered into a two-year promissory note agreement in the amount of \$181,400 with a 1% fixed interest rate under the Paycheck Protection Program. The promissory note calls for monthly principal and interest payments amortized over the term of the promissory note, unless otherwise forgiven. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the Small Business Administration in whole or in part.