

FINANCIAL STATEMENTS



**FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2020**

THE SHEPHERD'S TABLE, INC.

CONTENTS

	PAGE NO.
INDEPENDENT AUDITOR'S REPORT	2 - 3
EXHIBIT A - Statement of Financial Position, as of December 31, 2021, with Summarized Financial Information for 2020	4
EXHIBIT B - Statement of Activities and Change in Net Assets, for the Year Ended December 31, 2021, with Summarized Financial Information for 2020	5
EXHIBIT C - Statement of Functional Expenses, for the Year Ended December 31, 2021, with Summarized Financial Information for 2020	6
EXHIBIT D - Statement of Cash Flows, for the Year Ended December 31, 2021, with Summarized Financial Information for 2020	7
NOTES TO FINANCIAL STATEMENTS	8 - 14



CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2021, 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.

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, 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

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.

4550 MONTGOMERY AVENUE • SUITE 800 NORTH • BETHESDA, MARYLAND 20814
(301) 951-9090 • WWW.GRFCPA.COM

MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF CROWE GLOBAL
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

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 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, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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, 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 27, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



October 3, 2022

THE SHEPHERD'S TABLE, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2020

ASSETS		<u>2021</u>	<u>2020</u>
CURRENT ASSETS			
Cash and cash equivalents	\$	2,601,912	\$ 1,844,445
Investments		1,315,541	893,114
Contributions receivable		141,616	687,077
Prepaid expenses		21,891	14,600
Deposits		<u>2,000</u>	<u>2,000</u>
Total current assets		<u>4,082,960</u>	<u>3,441,236</u>
FIXED ASSETS			
Furniture and equipment		172,992	177,353
Website development		<u>3,500</u>	<u>3,500</u>
		176,492	180,853
Less: Accumulated depreciation and amortization		<u>(68,528)</u>	<u>(91,171)</u>
Net fixed assets		<u>107,964</u>	<u>89,682</u>
OTHER ASSETS			
Contributions receivable, net of current portion		<u>-</u>	<u>50,000</u>
TOTAL ASSETS	\$	<u>4,190,924</u>	\$ <u>3,580,918</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable and accrued liabilities	\$	72,235	\$ 40,313
Accrued salaries and related benefits		<u>25,353</u>	<u>18,692</u>
Total liabilities		<u>97,588</u>	<u>59,005</u>
NET ASSETS			
Without donor restrictions		3,969,255	3,269,103
With donor restrictions		<u>124,081</u>	<u>252,810</u>
Total net assets		<u>4,093,336</u>	<u>3,521,913</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>4,190,924</u>	\$ <u>3,580,918</u>

See accompanying notes to financial statements.

THE SHEPHERD'S TABLE, INC.

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2020**

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND SUPPORT				
Contributions	\$ 1,854,063	\$ 212,827	\$ 2,066,890	\$ 2,485,460
Government grants	312,038	-	312,038	327,341
Workplace giving	116,222	-	116,222	43,899
Investment income, net	129,610	-	129,610	117,202
Contributed services and materials	845,980	-	845,980	953,900
(Loss) gain on sale of fixed assets	(4,262)	-	(4,262)	1,429
Net assets released from donor restrictions	<u>341,556</u>	<u>(341,556)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>3,595,207</u>	<u>(128,729)</u>	<u>3,466,478</u>	<u>3,929,231</u>
EXPENSES				
Program Services	<u>2,129,272</u>	<u>-</u>	<u>2,129,272</u>	<u>1,976,702</u>
Supporting Services:				
Management and General	414,480	-	414,480	260,123
Fundraising	<u>351,303</u>	<u>-</u>	<u>351,303</u>	<u>281,048</u>
Total supporting services	<u>765,783</u>	<u>-</u>	<u>765,783</u>	<u>541,171</u>
Total expenses	<u>2,895,055</u>	<u>-</u>	<u>2,895,055</u>	<u>2,517,873</u>
Change in net assets	700,152	(128,729)	571,423	1,411,358
Net assets at beginning of year	<u>3,269,103</u>	<u>252,810</u>	<u>3,521,913</u>	<u>2,110,555</u>
NET ASSETS AT END OF YEAR	<u>\$ 3,969,255</u>	<u>\$ 124,081</u>	<u>\$ 4,093,336</u>	<u>\$ 3,521,913</u>

THE SHEPHERD'S TABLE, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2020**

	2021				2020	
	Program Services	Supporting Services		Total Supporting Services	Total Expenses	Total Expenses
		Management and General	Fundraising			
Salaries and benefits	\$ 1,046,621	\$ 205,957	\$ 212,342	\$ 418,299	\$ 1,464,920	\$ 1,154,274
Food	523,834	2,293	2,131	4,424	528,258	481,118
Clothing and other supplies	146,841	675	399	1,074	147,915	187,061
Rent	314,146	43,874	63,678	107,552	421,698	409,415
Professional fees	-	64,907	-	64,907	64,907	74,234
Information technology	44,327	14,161	48,460	62,621	106,948	52,592
Meetings/conferences	2,305	-	316	316	2,621	14,552
Printing	3,170	5,020	16,743	21,763	24,933	23,472
Repairs and maintenance	23,214	23,208	-	23,208	46,422	45,465
Insurance	-	19,287	-	19,287	19,287	14,605
Physicians	13,842	-	-	-	13,842	12,365
Depreciation and amortization	-	18,381	-	18,381	18,381	13,236
Miscellaneous	1,260	5,003	1,200	6,203	7,463	9,055
Telephone	-	6,192	-	6,192	6,192	4,976
Postage and deliveries	18	2	1,368	1,370	1,388	3,676
Eye clinic - glasses and supplies	5,940	-	-	-	5,940	3,396
Security services	-	400	-	400	400	2,215
Prescriptions	3,693	-	-	-	3,693	5,074
Dues and memberships	-	813	4,485	5,298	5,298	4,635
Gifts	57	3,992	181	4,173	4,230	448
Travel	4	315	-	315	319	2,009
TOTAL	\$ 2,129,272	\$ 414,480	\$ 351,303	\$ 765,783	\$ 2,895,055	\$ 2,517,873

See accompanying notes to financial statements.

THE SHEPHERD'S TABLE, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 571,423	\$ 1,411,358
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	18,381	13,236
Realized gain on sale of investments	(249,451)	(17,115)
Unrealized loss (gain) on investments	147,362	(73,053)
Receipt of donated securities	(14,754)	(12,660)
Sale of donated securities	15,199	12,862
Realized gain on sale of donated securities	(445)	(202)
Loss (gain) on disposal of fixed assets	4,262	(1,429)
Decrease (increase) in:		
Contributions receivable	595,461	(301,255)
Prepaid expenses	(7,291)	560
Increase in:		
Accounts payable and accrued liabilities	31,922	12,052
Accrued salaries and related benefits	6,661	10,222
Net cash provided by operating activities	1,118,730	1,054,576
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(40,925)	(53,654)
Purchases of investments	(1,124,266)	(150,910)
Proceeds from sales of investments	803,928	124,144
Net cash used by investing activities	(361,263)	(80,420)
Net increase in cash and cash equivalents	757,467	974,156
Cash and cash equivalents at beginning of year	1,844,445	870,289
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 2,601,912	\$ 1,844,445

THE SHEPHERD'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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, 2020, from which the summarized information was derived.

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.

THE SHEPHERD'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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

Investments -

Investments are recorded at their readily determinable fair value. Interests, dividends, realized and unrealized gains and losses are included in investment income, which is presented net of investment expenses paid to external investment advisors, on the accompanying Statement of Activities and Change in Net Assets.

Investments acquired by gift are recorded at their fair value at the date of the gift. The Organization's policy is to liquidate all gifts of investments as soon as possible after the gift.

Contributions receivable -

Contributions receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectible within one year. 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, 2021 totaled \$18,381.

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.

Uncertain tax positions -

For the year ended December 31, 2021, 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.

Revenue and support -

The majority of the Organization's activities are supported by grants and contributions from the local government and other grantors. These awards are for various activities performed by the Organization. Grants and contributions are recognized in the appropriate category of net assets in the period received. The Organization performs an analysis of the individual grant and contribution to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

THE SHEPHERD'S TABLE, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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

Revenue and support (continued) -

For grants and contributions qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Grants and contributions qualifying as contributions that are unconditional and 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. Funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

Grants or contributions qualifying as conditional contributions contain a right of return from obligation provision that limits the Organization on how funds transferred should be spent. Additionally, a barrier is present that is related to the purpose of the agreement. Revenue is recognized when the condition or conditions on which they depend are substantially met. Most grant awards from the United States Government and other entities are for direct and indirect program costs. These transactions are nonreciprocal and classified as conditional and are therefore recognized as contributions when the revenue becomes unconditional. The Organization recognizes revenue for these conditional contributions when the related barrier has been overcome (generally, when qualifying expenditures are incurred). Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances. For contributions and grants treated as conditional contributions, the Organization had approximately \$178,000 in unrecognized awards as of December 31, 2021.

Workplace giving donations are donations without donor restriction and are recognized as revenue when received.

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. 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.

THE SHEPHERD'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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

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.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

New accounting pronouncements (not yet adopted) -

ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* improves generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this Update address certain stakeholders' concerns about the lack of transparency relating to the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in a NFP's programs and other activities. The ASU should be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The amendment will not change the recognition and measurement requirements for those contributed nonfinancial assets.

ASU 2019-01, *Leases* (Topic 842) changes the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosure of key information about leasing arrangements. During 2020, the FASB issued ASU 2020-05 and delayed the implementation date by one year. The ASU is effective for non-public entities beginning after December 15, 2021. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

The Organization plans to adopt the new ASUs at the required implementation dates and management is currently in the process of evaluating the adoption methods and the impact of the new standards on its accompanying financial statements.

THE SHEPHERD'S TABLE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

2. INVESTMENTS

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, 2021. There were no transfers between levels in the fair value hierarchy during the year ended December 31, 2021. 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 bond 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, 2021.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset Class:				
Mutual stock funds	\$ 653,202	\$ -	\$ -	\$ 653,202
Mutual bond funds	395,859	-	-	395,859
Exchange traded products	<u>266,480</u>	<u>-</u>	<u>-</u>	<u>266,480</u>
TOTAL	<u>\$ 1,315,541</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,315,541</u>

Included in investment income are the following:

Interest and dividends	\$ 35,241
Unrealized loss	(147,362)
Realized gain	249,451
Management fees	<u>(7,720)</u>
TOTAL INVESTMENT INCOME, NET	<u>\$ 129,610</u>

THE SHEPHERD'S TABLE, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2021:

Program services	\$ 74,081
Time restricted	<u>50,000</u>
NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 124,081</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	\$ 266,556
Passage of time	<u>75,000</u>
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 341,556</u>

4. CONTRIBUTED SERVICES AND MATERIALS

During the year ended December 31, 2021, 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, 2021.

Donated food	\$ 351,812
Donated non-food items	31,870
Donated rent	421,698
Donated IT and accounting services	<u>40,600</u>
TOTAL	<u>\$ 845,980</u>

The following programs have benefited from these donated services during the year ended December 31, 2021:

Program services	\$ 738,428
Management and general	43,874
Fundraising	<u>63,678</u>
TOTAL	<u>\$ 845,980</u>

5. LIQUIDITY

Financial assets available for use within one year of the Statement of Financial Position comprise the following at December 31, 2021:

Cash and cash equivalents	\$ 2,601,912
Investments	1,315,541
Contributions receivable	141,616
Amounts unavailable for general expenditure within one year due to donor's restrictions	<u>(74,081)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 3,984,988</u>

THE SHEPHERD'S TABLE, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

5. LIQUIDITY (Continued)

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. 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. RETIREMENT PLAN

The Organization provides retirement benefits to its employees through a defined contribution plan covering all full-time employees who are at least 21 years of age and have completed three consecutive months of service. The Organization provides discretionary matching contributions. Contributions to the Plan during the year ended December 31, 2021 totaled \$7,287.

7. SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 3, 2022, the date the financial statements were issued.