

**Shepherd's Center Of
Webster/Kirkwood, Inc.**

Financial Statements and
Independent Accountants' Review Report

Years Ended December 31, 2008 and 2007



INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors' and Members
Shepherd's Center of Webster/Kirkwood, Inc.
Glendale, Missouri

We have reviewed the accompanying statements of financial position of the Shepherd's Center of Webster/Kirkwood, Inc. as of December 31, 2008 and 2007, and related statements of activities and of cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in the financial statements is the representation of the management of the Shepherd's Center of Webster/Kirkwood, Inc.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Mahe & Company PC

Certified Public Accountants
November 5, 2009

SHEPHERD'S CENTER OF WEBSTER/KIRKWOOD, INC.
Statements of Financial Position
December 31

	2008			2007
	Operating	Equipment	Total	
Assets:				
Cash	\$ 18,794	\$ -	\$ 18,794	\$ 9,089
Short-term investments (Note C)	50,656	-	50,656	54,278
Marketable securities (Note D)	18,375	-	18,375	27,352
Office furniture and software - net	-	6,102	6,102	8,817
Total assets	\$ 87,825	\$ 6,102	\$ 93,926	\$ 99,536
Liabilities				
Accounts payable	\$ 2,938	\$ -	\$ 2,938	\$ 166
Net assets:				
Unrestricted	53,589	6,102	59,691	47,374
Temporarily restricted (Note E)	10,223	-	10,223	22,445
Permanently restricted (Note E)	21,075	-	21,075	29,551
Total net assets	84,887	6,102	90,989	99,370
Total liabilities and net assets	\$ 87,825	\$ 6,102	\$ 93,927	\$ 99,536

See Independent Accountants' Review Report
and notes to financial statements.

SHEPHERD'S CENTER OF WEBSTER/KIRKWOOD, INC.

Statements of Activities

Years Ended December 31

	2008			2007
	Operating	Equipment	Total	
Changes in unrestricted net assets:				
Revenues and other support:				
Contributions:				
Churches	\$ 9,300	\$ -	\$ 9,300	\$ 8,800
Corporate	425	-	425	500
Other	-	-	-	1,000
Individual	19,089	-	19,089	13,389
Donated equipment	-	771	771	2,582
Fund raisers	41,401	-	41,401	39,388
Grants	28,500	-	28,500	17,000
Program fees	31,579	-	31,579	29,875
Income on short-term investments	2,240	-	2,240	1,623
Total unrestricted revenues and other support	<u>132,534</u>	<u>771</u>	<u>133,305</u>	<u>114,157</u>
Net assets released from restriction:				
Satisfaction of grant restrictions	-	-	-	6,119
Total unrestricted revenues and other support	<u>132,534</u>	<u>771</u>	<u>133,305</u>	<u>120,276</u>
Expenses:				
Adventures in learning/travelers	45,346	1,150	46,496	35,157
Handy hands/chores galore	6,318	244	6,562	5,093
Transportation	13,685	523	14,208	10,604
Resource center/loss support group	14,227	523	14,750	10,688
Management and general	20,544	523	21,067	22,864
Fund raising	17,381	523	17,904	14,011
Total expenses (Note F)	<u>117,501</u>	<u>3,486</u>	<u>120,987</u>	<u>98,417</u>
Increase (Decrease) in unrestricted net assets	<u>15,033</u>	<u>(2,715)</u>	<u>12,318</u>	<u>21,859</u>
Change in temporarily restricted assets:				
Donor restricted contributions	11,000	-	11,000	22,445
Net assets released from restrictions (Note G)	(23,223)	-	(23,223)	(6,119)
Increase (Decrease) in temporarily restricted assets	<u>(12,223)</u>	<u>-</u>	<u>(12,223)</u>	<u>16,326</u>
Change in permanently restricted assets:				
Capital gains (losses) on marketable securities	(8,976)	-	(8,976)	1,022
Endowment fund contributions	500	-	500	500
Increase (Decrease) in permanently restricted assets	<u>(8,476)</u>	<u>-</u>	<u>(8,476)</u>	<u>1,522</u>
Change in net assets	(5,666)	(2,715)	(8,381)	39,707
Net assets at beginning of year	90,553	8,817	99,370	59,663
Net assets at end of year	<u>\$ 84,887</u>	<u>\$ 6,102</u>	<u>\$ 90,989</u>	<u>\$ 99,370</u>

See Independent Accountants' Review Report
and notes to financial statements.

SHEPHERD'S CENTER OF WEBSTER/KIRKWOOD, INC.**Statements of Cash Flows****Years Ended December 31**

	2008			2007
	Operating	Equipment	Total	
Cash flows from operating activities:				
Cash/Donations received from contributions and grants	\$ 68,814	\$ 771	\$ 69,585	\$ 63,634
Cash received from fund raisers	41,401	-	41,401	39,388
Cash received from programs	31,579	-	31,579	29,875
Interest received	2,240	-	2,240	1,623
Cash paid to employees	(74,087)	-	(74,087)	(54,347)
Cash paid for programs	(27,715)	-	(27,715)	(24,854)
Cash paid for operational expenses	(13,697)	-	(13,697)	(10,829)
Cash utilized after release from restriction	(23,223)	-	(23,223)	(6,119)
Cash transferred from operating account to endowment investment	-	-	-	(41,895)
Cash paid for fixed asset additions	-	-	-	(8,009)
Net cash (used in) provided by operating activities	<u>5,312</u>	<u>771</u>	<u>6,083</u>	<u>(11,533)</u>
Cash flows from investing activities:				
Interest income retained in short-term investments	3,622	-	3,622	(624)
Net cash (used in) provided by investing activities	<u>3,622</u>	<u>-</u>	<u>3,622</u>	<u>(624)</u>
Net increase (decrease) in cash	8,934	771	9,705	(12,157)
Cash at beginning of year	9,089	-	9,089	21,246
Cash at end of year	<u>\$ 18,023</u>	<u>\$ 771</u>	<u>\$ 18,794</u>	<u>\$ 9,089</u>
Reconciliation of increase in unrestricted net assets to net cash (used in) provided by operating activities				
Increase (decrease) in net assets	\$ (5,666)	\$ (2,715)	\$ (8,381)	\$ 39,707
Adjustments to reconcile increase in net assets to net cash (used in) provided by operating activities:				
Capital (gains) losses on investment securities	8,976	-	8,976	(1,022)
Cash paid for fixed asset additions	-	-	-	(8,009)
Contribution of fixed assets	(771)	-	(771)	(2,582)
Increase in accounts payable	2,773	-	2,773	166
Depreciation expense	-	3,486	3,486	2,102
Cash transferred from operating account to endowment investment	-	-	-	(41,895)
Net cash (used in) provided by operating activities	<u>\$ 5,312</u>	<u>\$ 771</u>	<u>\$ 6,083</u>	<u>\$ (11,533)</u>

See Independent Accountants' Review Report
and notes to financial statements.

SHEPHERD'S CENTER OF WEBSTER/KIRKWOOD, INC.

Notes to Financial Statements

Years Ended December 31, 2008 and 2007

(See Independent Accountants' Review Report)

NOTE A – BACKGROUND INFORMATION

The Shepherd's Center of Webster/Kirkwood, Inc. (the Center) is a not-for-profit organization serving the intellectual, physical, spiritual, and emotional needs of older adults. The Center, an interfaith based community, is dedicated to offering needed activities and services, which are planned, administered, and delivered by and for senior adults. The Center is located in the Christian Life Center building of the Webster Hills United Methodist Church.

The Center is a member of the Shepherd's Center of America, a national association of nearly 100 centers across the United States and Canada which was founded by Dr. Elbert Cole in 1975, and headquartered in Kansas City, Missouri.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Center reports contributions received as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted assets are reclassified to unrestricted assets and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

Contributions of donated non-cash assets are recorded at their fair value in the period received.

Basis of Presentation Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements for Not-for-Profit Organizations. Under SFAS No. 117, the Center is required to report information regarding its financial position and activities according to classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets

Tax Exempt Status The Center qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for federal or state income tax is presented in the financial statements.

Depreciation and Amortization Office furniture and software is depreciated under straight-line and accelerated methods over estimated useful lives ranging from 3 to 7 years for software, furniture, fixtures and equipment.

NOTE C – INVESTMENTS

The Center invests cash in excess of daily requirements in short-term investments. As of December 31, 2008 and 2007 there was \$50,656 and \$54,278 invested on a short-term basis, respectively.

NOTE D – MARKETABLE SECURITIES

The Center invests certain endowments in marketable securities. Available-for-sale marketable securities are recorded at cost in the statement of financial position. As of December 31, 2008 and 2007 there was \$18,375 and \$27,352 invested in marketable securities, respectively.

NOTE E – RESTRICTED NET ASSETS

Restricted assets are available for the following purposes for periods after December 31:

	2008	2007
Temporarily Restricted		
Provided for staff support	\$ 10,223	\$ 22,445
Total Temporarily Restricted funds	<u>10,223</u>	<u>22,445</u>
Permanently Restricted		
Anita L. & William S. Cassilly Fund	18,875	27,351
General Endowment Fund	<u>2,200</u>	<u>2,200</u>
Total Permanently Restricted funds	<u>21,075</u>	<u>29,551</u>
Total restricted funds for periods after December 31,	<u>\$ 31,298</u>	<u>\$ 51,996</u>

NOTE F – FUNCTIONAL EXPENSES

The following tables on page 7 present the functional expenses for the years ended December 31, 2008 and 2007.

NOTE G – RELEASED NET ASSETS

The total amount of assets released from restriction due to the passage of time during the years ended December 31, 2008 and 2007 totaled \$23,223 and \$6,119, respectively.

SHEPHERD'S CENTER OF WEBSTER/KIRKWOOD, INC.
Functional Expenses Worksheet
For the year ended December 31, 2008

	<u>Total</u>	<u>Program</u>				<u>Management and General</u>	<u>Fund Raising</u>
		<u>Adventures In Learning/Travelers</u>	<u>Handy Hands/ Chores Galore</u>	<u>Transportation</u>	<u>Resource Center</u>		
Salaries, wages, and benefits	\$ 74,087	\$ 24,449	\$ 5,186	\$ 11,113	\$ 11,113	\$ 11,113	\$ 11,113
Instructors	7,238	7,238	-	-	-	-	-
Insurance	1,324	-	-	-	-	1,324	-
Dues and subscriptions	2,140	706	150	321	321	321	321
Professional fees and services	4,780	-	-	-	-	4,780	-
Advertising and promotion	46	12	12	12	10	-	-
Luncheon costs	2,270	2,270	-	-	-	-	-
Office supplies	3,899	1,287	273	585	585	584	585
Rent	6,000	1,980	420	900	900	900	900
Telephone	1,010	-	-	-	505	505	-
Postage	2,659	877	186	399	399	399	399
Entertainment	460	-	-	-	-	460	-
Miscellaneous	11,588	6,527	91	355	394	158	4,063
Depreciation	3,486	1,150	244	523	523	523	523
Total expenses	\$ 120,987	\$ 46,496	\$ 6,562	\$ 14,208	\$ 14,750	\$ 21,067	\$ 17,904

Functional Expenses Worksheet
For the year ended December 31, 2007

	<u>Total</u>	<u>Program</u>				<u>Management and General</u>	<u>Fund Raising</u>
		<u>Adventures In Learning/Travelers</u>	<u>Handy Hands/ Chores Galore</u>	<u>Transportation</u>	<u>Resource Center</u>		
Salaries, wages, and benefits	\$ 54,347	\$ 16,304	\$ 3,804	\$ 7,609	\$ 7,609	\$ 10,869	\$ 8,152
Instructors	6,410	6,410	-	-	-	-	-
Insurance	2,128	-	-	-	-	-	-
Training	-	-	-	-	-	2,128	-
Dues and subscriptions	2,015	605	141	282	282	403	302
Professional fees and services	5,591	-	-	-	-	5,591	-
Advertising and promotion	21	5	5	5	6	-	-
Luncheon costs	2,355	2,355	-	-	-	-	-
Office supplies	4,320	1,296	302	605	605	864	648
Rent	6,000	1,800	420	840	840	1,200	900
Telephone	960	-	-	-	480	480	-
Postage	2,932	880	205	410	410	587	440
Travel	279	-	-	-	-	279	-
Miscellaneous	8,957	4,870	69	559	162	43	3,254
Depreciation	2,102	632	147	294	294	420	315
Total expenses	\$ 98,417	\$ 35,157	\$ 5,093	\$ 10,604	\$ 10,688	\$ 22,864	\$ 14,011