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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, 2010 and 2009, and the related statements of activities, functional expenses and of cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Shepherd's Center of Webster/Kirkwood, Inc. management. A review is substantially less in scope than an audit, 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.

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 designing, implementing and maintain internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with the Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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

Maher & Company PC

Certified Public Accountants
November 4, 2011

MAHER & CO.
CERTIFIED PUBLIC ACCOUNTANTS

SHEPHERD'S CENTER OF WEBSTER/KIRKWOOD, INC.
Statement of Financial Position
December 31, 2010

	<u>Operating</u>	<u>Equipment</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 104,408	\$ -	\$ 104,408
Investments (Note C)	32,102	-	32,102
Prepaid expense	600	-	600
Office furniture and software - net	-	2,326	2,326
Total assets	\$ 137,110	\$ 2,326	\$ 139,436
Liabilities			
Accounts payable	\$ 4,675	\$ -	\$ 4,675
Net assets:			
Unrestricted	73,534	2,326	75,860
Temporarily restricted (Note D)	34,033	-	34,033
Permanently restricted (Note D)	24,868	-	24,868
Total net assets	132,435	2,326	134,761
Total liabilities and net assets	\$ 137,110	\$ 2,326	\$ 139,436

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

SHEPHERD'S CENTER OF WEBSTER/KIRKWOOD, INC.
Statement of Financial Position
December 31, 2009

	<u>Operating</u>	<u>Equipment</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 84,624	\$ -	\$ 84,624
Investments (Note C)	31,203	-	31,203
Office furniture and software - net	-	3,763	3,763
Total assets	<u>\$ 115,827</u>	<u>\$ 3,763</u>	<u>\$ 119,590</u>
Liabilities			
Accounts payable	\$ 8,725	\$ -	\$ 8,725
Net assets:			
Unrestricted	54,597	3,763	58,360
Temporarily restricted (Note D)	28,536	-	28,536
Permanently restricted (Note D)	23,969	-	23,969
Total net assets	<u>107,102</u>	<u>3,763</u>	<u>110,865</u>
Total liabilities and net assets	<u>\$ 115,827</u>	<u>\$ 3,763</u>	<u>\$ 119,590</u>

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

SHEPHERD'S CENTER OF WEBSTER/KIRKWOOD, INC.
Statement of Activities
Year Ended December 31, 2010

	<u>Operating</u>	<u>Equipment</u>	<u>Total</u>
Changes in unrestricted net assets:			
Public support and revenue			
Contributions:			
Churches	\$ 4,165	\$ -	\$ 4,165
Corporate	146	-	146
Individual	9,153	-	9,153
Fund raisers	47,449	-	47,449
Grants	16,000	-	16,000
Program fees	39,453	-	39,453
Interest and dividends	1,720	-	1,720
Net assets released from restriction:			
Satisfaction of grant restrictions	46,744	-	46,744
Total unrestricted revenues and other support	<u>164,830</u>	<u>-</u>	<u>164,830</u>
Expenses:			
Adventures in learning/travelers	58,772	472	59,244
Handy hands/chores galore	7,962	101	8,063
Transportation	16,668	216	16,884
Resource center	17,666	216	17,882
Management and general	24,445	216	24,661
Fund raising	20,381	216	20,597
Total expenses	<u>145,894</u>	<u>1,437</u>	<u>147,331</u>
Increase (Decrease) in unrestricted net assets	<u>18,936</u>	<u>(1,437)</u>	<u>17,499</u>
Change in temporarily restricted assets:			
Donor restricted contributions	52,242	-	52,242
Net assets released from restrictions (Note E)	(46,744)	-	(46,744)
Increase in temporarily restricted net assets	<u>5,498</u>	<u>-</u>	<u>5,498</u>
Change in permanently restricted assets:			
Net unrealized gain on marketable securities	899	-	899
Increase in permanently restricted net assets	<u>899</u>	<u>-</u>	<u>899</u>
Change in net assets	25,333	(1,437)	23,896
Net assets at beginning of year	107,102	3,763	110,865
Net assets at end of year	<u>\$ 132,435</u>	<u>\$ 2,326</u>	<u>\$ 134,761</u>

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

SHEPHERD'S CENTER OF WEBSTER/KIRKWOOD, INC.
Statement of Activities
Year Ended December 31, 2009

	<u>Operating</u>	<u>Equipment</u>	<u>Total</u>
Changes in unrestricted net assets:			
Public support and revenue			
Contributions:			
Churches	\$ 8,110	\$ -	\$ 8,110
Corporate	650	-	650
Individual	11,267	-	11,267
Fund raisers	45,265	-	45,265
Grants	15,500	-	15,500
Program fees	31,967	-	31,967
Interest and dividends	1,680	-	1,680
Net assets released from restriction:			
Satisfaction of grant restrictions	24,734	-	24,734
Total unrestricted revenues and other support	<u>139,173</u>	<u>-</u>	<u>139,173</u>
Expenses:			
Adventures in learning/travelers	49,892	771	50,663
Handy hands/chores galore	7,605	164	7,769
Transportation	16,188	351	16,539
Resource center	16,828	351	17,179
Management and general	27,961	351	28,312
Fund raising	19,691	351	20,042
Total expenses	<u>138,165</u>	<u>2,339</u>	<u>140,504</u>
Increase (Decrease) in unrestricted net assets	<u>1,008</u>	<u>(2,339)</u>	<u>(1,331)</u>
Change in temporarily restricted assets:			
Donor restricted contributions	43,047	-	43,047
Net assets released from restrictions (Note E)	(24,734)	-	(24,734)
Increase in temporarily restricted net assets	<u>18,313</u>	<u>-</u>	<u>18,313</u>
Change in permanently restricted assets:			
Net unrealized gain on marketable securities	2,828	-	2,828
Interest and dividends	66	-	66
Increase in permanently restricted net assets	<u>2,894</u>	<u>-</u>	<u>2,894</u>
Change in net assets	22,215	(2,339)	19,876
Net assets at beginning of year	84,887	6,102	90,989
Net assets at end of year	<u>\$ 107,102</u>	<u>\$ 3,763</u>	<u>\$ 110,865</u>

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

SHEPHERD'S CENTER OF WEBSTER/KIRKWOOD, INC.
Statements of Functional Expenses
For the year ended December 31, 2010

	<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	\$ 77,268	\$ 25,499	\$ 5,409	\$ 11,590	\$ 11,590	\$ 11,590	\$ 11,590
Instructors	8,284	8,284	-	-	-	-	-
Insurance	1,447	-	-	-	-	1,447	-
Dues and subscriptions	1,792	591	125	269	269	269	269
Professional fees and services	18,330	4,126	875	1,875	1,875	7,704	1,875
Advertising and promotion	125	32	31	31	31	-	-
Luncheon costs	2,262	2,262	-	-	-	-	-
Office supplies	5,434	1,794	380	815	815	815	815
Rent	7,200	2,376	504	1,080	1,080	1,080	1,080
Telephone	1,308	-	-	-	654	654	-
Postage	2,895	956	203	434	434	434	434
Entertainment	1,314	434	92	197	197	197	197
Miscellaneous	18,235	12,418	343	377	721	255	4,121
Depreciation	1,437	472	101	216	216	216	216
Total expenses	\$ 147,331	\$ 59,244	\$ 8,063	\$ 16,884	\$ 17,882	\$ 24,661	\$ 20,597

For the year ended December 31, 2009

	<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	\$ 83,860	\$ 27,674	\$ 5,870	\$ 12,579	\$ 12,579	\$ 12,579	\$ 12,579
Instructors	7,200	7,200	-	-	-	-	-
Insurance	1,351	-	-	-	-	1,351	-
Dues and subscriptions	2,288	756	160	343	343	343	343
Professional fees and services	9,559	-	-	-	-	9,559	-
Advertising and promotion	792	198	198	198	198	-	-
Luncheon costs	2,570	2,570	-	-	-	-	-
Office supplies	8,146	2,688	570	1,222	1,222	1,222	1,222
Rent	7,200	2,376	504	1,080	1,080	1,080	1,080
Telephone	1,260	-	-	-	630	630	-
Postage	3,171	1,047	222	476	476	475	475
Travel	645	-	-	-	-	645	-
Miscellaneous	10,123	5,383	81	290	300	77	3,992
Depreciation	2,339	771	164	351	351	351	351
Total expenses	\$ 140,504	\$ 50,663	\$ 7,769	\$ 16,539	\$ 17,179	\$ 28,312	\$ 20,042

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

SHEPHERD'S CENTER OF WEBSTER/KIRKWOOD, INC.**Statement of Cash Flows****Year Ended December 31, 2010**

	<u>Operating</u>	<u>Equipment</u>	<u>Total</u>
Cash flows from operating activities:			
Cash/Donations received from contributions and grants	\$ 81,706	\$ -	\$ 81,706
Cash received from fund raisers	47,449	-	47,449
Cash received from programs	39,453	-	39,453
Interest and dividends received	1,720	-	1,720
Cash paid to employees	(77,268)	-	(77,268)
Cash paid for programs	(46,980)	-	(46,980)
Cash paid for operational expenses	(26,296)	-	(26,296)
Net cash provided by operating activities	<u>19,784</u>	<u>-</u>	<u>19,784</u>
Net increase in cash and cash equivalents	19,784	-	19,784
Cash and cash equivalents at beginning of year	84,624	-	84,624
Cash and cash equivalents at end of year	<u>\$ 104,408</u>	<u>\$ -</u>	<u>\$ 104,408</u>
Reconciliation of increase in unrestricted net assets to net cash provided by operating activities			
Increase (decrease) in net assets	\$ 25,333	\$ (1,437)	\$ 23,896
Adjustments to reconcile increase in net assets to net cash (used in) provided by operating activities:			
Net unrealized gain on marketable securities	(899)	-	(899)
Increase in prepaid expenses	(600)	-	(600)
Decrease in accounts payable	(4,050)	-	(4,050)
Depreciation expense	-	1,437	1,437
Net cash provided by operating activities	<u>\$ 19,784</u>	<u>\$ 0</u>	<u>\$ 19,784</u>

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

SHEPHERD'S CENTER OF WEBSTER/KIRKWOOD, INC.
Statement of Cash Flows
Year Ended December 31, 2009

	Operating	Equipment	Total
Cash flows from operating activities:			
Cash/Donations received from contributions and grants	\$ 78,574	\$ -	\$ 78,574
Cash received from fund raisers	45,265	-	45,265
Cash received from programs	31,967	-	31,967
Interest and dividends received	1,746	-	1,746
Cash paid to employees	(83,860)	-	(83,860)
Cash paid for programs	(31,810)	-	(31,810)
Cash paid for operational expenses	(16,708)	-	(16,708)
Net cash provided by operating activities	<u>25,174</u>	<u>-</u>	<u>25,174</u>
Net increase in cash and cash equivalents	25,174	-	25,174
Cash and cash equivalents at beginning of year	59,450	-	59,450
Cash and cash equivalents at end of year	<u>\$ 84,624</u>	<u>\$ -</u>	<u>\$ 84,624</u>
Reconciliation of increase in unrestricted net assets to net cash (used in) provided by operating activities			
Increase in net assets	\$ 22,215	\$ (2,339)	\$ 19,876
Adjustments to reconcile increase in net assets to net cash (used in) provided by operating activities:			
Net unrealized gain on marketable securities	(2,828)	-	(2,828)
Increase in accounts payable	5,787	-	5,787
Depreciation expense	-	2,339	2,339
Net cash provided by operating activities	<u>\$ 25,174</u>	<u>\$ -</u>	<u>\$ 25,174</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, 2010 and 2009

(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.

The following program and supporting services of the Center are included in the accompanying financial statements:

Adventures in Learning – A series of classes that include a focus in health, wellness and well-being. These sessions include Tai Chi, dance, exercise, stay strong and healthy, eat well be well, 'the things I forgot to remember', book reviews, discussion groups and more. The classes offer a welcoming and socially interactive day out which helps to alleviate loneliness and isolation.

Travelers – These active seniors enjoy one-day trips in the community. The Center has collaborated with the Ten Toes Express as a registration site. The Center volunteer leaders plan Metrolink trips. Trips are offered as they are developed by the leaders.

Handy Hands – Volunteers provide minor home repairs to older adults who are unable to do so. The focus of this service is repair, maintenance and safety to homeowners (within the Center's service area).

Chores Galore – Weekend yard clean-up is provided to older adults during the fall and spring. Youth groups and other community groups provide this service with the assistance of their leaders.

Transportation – Volunteer drivers provide transportation on Tuesday, Wednesday and Thursdays to medical, dental and therapy appointments within the Center's service boundaries for age 55 plus ambulatory seniors.

Resource Center – A telephone service offers help to seniors, children of seniors, friends and pastors. Volunteers assist in locating professional agencies and services.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in ASC 958-205, Presentation of Financial Statements for Not-for-Profit Organizations. Under ASC 958-205, 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.

Revenue Recognition 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.

The Board of Directors has designated the activities of the Center be categorized and reported in the following funds:

Operating – This category includes all activities of the Center not designated by the Board of Directors as representing Equipment.

Equipment – Activities in this category comprise the acquisition and depreciation of all equipment of the Center.

Expense Allocation The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Certain costs have been allocated between program and supporting service classifications on the basis of time records, actual expenses and/or estimates made by the Organization's management.

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 taxes is presented in the financial statements. The Center evaluates the tax benefits of a tax position using the 'more likely than not' threshold. As of December 31, 2010, management is not aware of any uncertain tax positions and related tax benefits that would be material to the Organization's financial statements. The Center files a U.S. Federal Tax return which for years subsequent to 2007 is subject to examination by taxing authorities.

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.

Estimates The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from the estimates and any such differences are recognized in the period they become known.

Cash and Cash Equivalents For purposes of the statement of cash flows, the Center considers all cash in banks and money market funds, to be cash equivalents as they have a maturity of three months or less.

Investments The Center's investments in mutual funds are stated at fair market value as determined by quoted market prices with unrealized gains and losses included in the statement of activities. Certificates of deposit are valued based on original cost. Realized and unrealized gains and losses in investments, interest and dividends are reported as increases and decreases in unrestricted net assets unless the income is restricted by donor or law.

Subsequent events We have determined that no subsequent events have occurred since December 31, 2010 that would require recognition or disclosure in the financial statements. We have evaluated all subsequent events as of November 4, 2011, which is the date these financial statements were approved for issuance, but have not evaluated any events after that date.

NOTE C – INVESTMENTS

The Center investments consist of the following:

	2010		
	Cost	Unrealized Gain(Loss)	Fair Value
Certificates of Deposit	\$ 10,000	\$ -	\$ 10,000
Mutual Funds	27,351	(5,249)	22,102
	<u>\$ 37,351</u>	<u>\$ (5,249)</u>	<u>\$ 32,102</u>

	2009		
	Cost	Unrealized Gain(Loss)	Fair Value
Certificates of Deposit	\$ 10,000	\$ -	\$ 10,000
Mutual Funds	27,351	(6,148)	21,203
	<u>\$ 37,351</u>	<u>\$ (6,148)</u>	<u>\$ 31,203</u>

ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority. The Center uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Center measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs would be utilized when there are observable inputs other than quoted market prices for the asset, either directly or indirectly observable, that reflect assumptions market participants would use to price the asset based on market data obtained from independent sources. Level 3 inputs would only be used when Level 1 or Level 2 inputs were not available.

As of December 31, 2010 and 2009 the fair value of the Center's available-for-sale investments is based on Level 1 inputs, quoted prices in active markets of the shares held by the Center at year end.

The investments of the Center are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

NOTE D – RESTRICTED NET ASSETS

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

	2010	2009
Temporarily Restricted		
Provided for staff support and consulting fees	\$ 34,033	\$ 28,536
Permanently Restricted		
Anita L. & William S. Cassilly Fund	22,668	21,769
General Endowment Fund	2,200	2,200
Total Permanently Restricted funds	<u>24,868</u>	<u>23,969</u>
Total restricted funds for periods after December 31,	<u>\$ 58,901</u>	<u>\$ 52,505</u>

NOTE E – RELEASED NET ASSETS

The total amount of assets released from restriction due to the passage of time during the years ended December 31, 2010 and 2009 totaled \$46,744 and \$24,734, respectively.