

THE SHEPHERD'S TABLE, INC.

DECEMBER 31, 2015

and

DECEMBER 31, 2014

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**MILLER, ENGEL & TIERNEY LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

THIS REPORT CONSISTS OF 14 PAGES

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**MILLER, ENGEL & TIERNEY LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

*Suite 610*  
*6110 Executive Boulevard*  
*Rockville, Maryland 20852*

May 26, 2016

**INDEPENDENT AUDITORS' 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. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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 of 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 Shepherd's Table, Inc. as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Miller, Engel & Tierney LLP

MILLER, ENGEL & TIERNEY LLP  
Rockville, Maryland

THE SHEPHERD'S TABLE, INC.  
STATEMENT OF FINANCIAL POSITION

	<u>AS OF</u>	
	<u>DECEMBER</u>	<u>DECEMBER</u>
	<u>31, 2015</u>	<u>31, 2014</u>
<u>ASSETS</u>		
Cash in Banks	\$ 236,289	\$ 207,461
Investments — Certificates of Deposit — Note 2	144,433	193,879
— Common Stock and Mutual Funds	566,175	579,996
Contributions Receivable — America's Charities / United Way	8,256	20,667
— Montgomery County	15,218	12,291
— Individuals	39,950	35,810
— Foundations	—	5,500
— State of Maryland	7,000	—
Interest and Dividends Receivable	726	732
Prepaid Insurance	5,172	4,592
Prepaid — Other	6,881	2,035
Other Receivables	1,075	2,154
Equipment — Net of Accumulated Depreciation — Note 1	<u>41,622</u>	<u>44,298</u>
<u>TOTAL ASSETS</u>	<u>\$ 1,072,797</u>	<u>\$ 1,109,415</u>
<u>LIABILITIES</u>		
Accrued Expenses	\$ 1,969	\$ 8,425
Accrued Salaries	20,638	15,545
Deferred Revenue	23,000	—
Capital Lease Payable — Note 8	<u>5,084</u>	<u>8,012</u>
<u>TOTAL LIABILITIES</u>	<u>\$ 50,691</u>	<u>\$ 31,982</u>
<u>NET ASSETS</u>		
Unrestricted	\$ 965,244	\$ 1,015,503
Temporarily Restricted	<u>56,862</u>	<u>61,930</u>
<u>TOTAL NET ASSETS</u>	<u>\$ 1,022,106</u>	<u>\$ 1,077,433</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 1,072,797</u>	<u>\$ 1,109,415</u>

The accompanying notes are an integral part of this financial statement.

THE SHEPHERD'S TABLE, INC.  
STATEMENT OF ACTIVITIES

	<u>FOR THE YEARS ENDED</u>	
	<u>DECEMBER 31,</u> <u>2015</u>	<u>DECEMBER 31,</u> <u>2014</u>
<u>UNRESTRICTED NET ASSETS</u>		
Support:		
Individual Donors	\$ 290,510	\$ 274,887
Churches and Synagogues	68,023	60,134
Workplace Giving	55,379	67,537
Businesses and Organizations	73,261	81,731
Foundations	141,475	110,947
Interest Income	549	837
Dividend Income	22,939	19,534
Unrealized Appreciation (Depreciation) of Investments	(24,693)	(17,929)
Gain (Loss) on Sale of Securities	(9,444)	—
Gain (Loss) on Sale of Fixed Assets	(794)	—
Other Income and Reimbursed Expenses	8,332	9,231
Contributed Goods and Services — Note 3	<u>1,096,094</u>	<u>1,240,101</u>
	<u>\$ 1,721,631</u>	<u>\$ 1,847,010</u>
Net Assets Released from Restrictions	260,510	223,165
<u>TOTAL UNRESTRICTED REVENUES AND SUPPORT</u>	<u>\$ 1,982,141</u>	<u>\$ 2,070,175</u>
<u>EXPENSES</u>		
Program Services	\$ 1,611,793	\$ 1,716,032
Supporting Services — Management and General	226,359	219,948
— Fundraising	<u>194,248</u>	<u>179,632</u>
<u>TOTAL EXPENSES</u>	<u>\$ 2,032,400</u>	<u>\$ 2,115,612</u>
<u>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</u>	<u>\$ (50,259)</u>	<u>\$ (45,437)</u>
<u>TEMPORARILY RESTRICTED ASSETS</u>		
Contributions — Foundations and Grants	\$ 83,594	\$ 61,000
— Montgomery County	139,777	132,970
— Federal / State Assistance	7,000	—
— Businesses	10,355	6,431
— Churches and Synagogues	12,367	13,861
— Individuals	<u>2,349</u>	<u>6,797</u>
	<u>\$ 255,442</u>	<u>\$ 221,059</u>
Net Assets Released from Restrictions — Restrictions Satisfied by Payments	<u>(260,510)</u>	<u>(223,165)</u>
<u>INCREASE (DECREASE) IN TEMPORARILY RESTRICTED ASSETS</u>	<u>\$ (5,068)</u>	<u>\$ (2,106)</u>
<u>INCREASE (DECREASE) IN NET ASSETS</u>	<u>\$ (55,327)</u>	<u>\$ (47,543)</u>
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>1,077,433</u>	<u>1,124,976</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 1,022,106</u>	<u>\$ 1,077,433</u>

The accompanying notes are an integral part of this financial statement.

THE SHEPHERD'S TABLE, INC.  
STATEMENT OF CASH FLOWS

	<u>FOR THE YEARS ENDED</u>	
	<u>DECEMBER 31,</u> <u>2015</u>	<u>DECEMBER 31,</u> <u>2014</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Increase (Decrease) in Net Assets	\$ (55,327)	\$ (47,543)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation Expense	10,741	10,737
Loss / (Gain) on Disposal of Fixed Assets	794	—
Unrealized (Gain) Loss on Investment in Common Stock	24,693	17,929
Reinvested Dividends from Mutual Funds	(21,235)	(18,174)
(Increase) Decrease in Operating Assets:		
Contributions Receivable	3,842	(33,935)
Interest and Dividends Receivable	6	(565)
Prepaid Insurance	(580)	(37)
Prepaid — Other	(4,845)	1,409
Other Receivables	1,079	22,204
Increase (Decrease) in Operating Liabilities:		
Accrued Expenses	(6,457)	3,749
Accrued Salaries	5,093	579
Deferred Revenue	23,000	—
<u>Net Cash Used by Operating Activities</u>	<u>\$ (19,196)</u>	<u>\$ (43,647)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Equipment	\$ (8,859)	\$ (15,108)
Net Investment in Marketable Securities	10,364	(554,977)
<u>Net Cash Provided by Investing Activities</u>	<u>\$ 1,505</u>	<u>\$ (570,085)</u>
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Capital Lease Obligation	\$ (2,927)	\$ 7,051
<u>Net Cash Provided (Used) by Financing Activities</u>	<u>\$ (2,927)</u>	<u>\$ 7,051</u>
<u>NET INCREASE (DECREASE) IN CASH</u>	<u>\$ (20,618)</u>	<u>\$ (606,681)</u>
<u>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</u>	<u>401,340</u>	<u>1,008,021</u>
<u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	<u>\$ 380,722</u>	<u>\$ 401,340</u>
Interest Paid	<u>\$ 785</u>	<u>\$ 538</u>

The accompanying notes are an integral part of this financial statement.

THE SHEPHERD'S TABLE, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2015

	Program Services	<u>Supporting Services</u>			Total Expenses
		Management and General	Fundraising	Total	
Salaries and Benefits	\$ 381,405	\$ 143,613	\$ 150,567	\$ 294,180	\$ 675,585
Donated Services	5,225	—	—	—	5,225
Professional Fees	—	18,776	—	18,776	18,776
Advertising / Promotion	—	130	—	130	130
Food	284,390	—	—	—	284,390
Clothing and Other Supplies	672,090	—	—	—	672,090
Tokens	2,625	—	—	—	2,625
Food — Supporting	15,006	—	—	—	15,006
Prescriptions	5,219	—	—	—	5,219
Insurance	—	17,170	—	17,170	17,170
Investment Advisory Fee	—	6,192	—	6,192	6,192
Gifts	—	1,506	—	1,506	1,506
Office and Other Supplies	927	2,162	6,025	8,187	9,114
Postage and Delivery	2,519	13	4,987	5,000	7,519
Dues and Memberships	—	3,198	300	3,498	3,498
Payroll Administration Fees	—	2,239	—	2,239	2,239
Printing	8,040	1,313	9,527	10,840	18,880
Telephone	—	4,405	—	4,405	4,405
Repairs and Maintenance	14,914	4,240	—	4,240	19,154
Rent	180,000	—	—	—	180,000
Depreciation	5,883	4,858	—	4,858	10,741
Payroll Expense	—	1,488	—	1,488	1,488
Interest Expense	—	785	—	785	785
Miscellaneous	9,745	—	22,015	22,015	31,760
Eye Clinic – Glasses & Supplies	10,371	—	—	—	10,371
Eye Doctor Fees	10,450	—	—	—	10,450
Maintenance — Copier/Phone	—	5,032	—	5,032	5,032
Meetings / Conferences	106	3,530	827	4,357	4,463
Travel	2,878	695	—	695	3,573
Bank and Merchant Fees	—	533	—	533	533
Information Technology	—	4,481	—	4,481	4,481
<u>TOTAL EXPENSES</u>	<u>\$ 1,611,793</u>	<u>\$ 226,359</u>	<u>\$ 194,248</u>	<u>\$ 420,607</u>	<u>\$ 2,032,400</u>

The accompanying notes are an integral part of this financial statement.



THE SHEPHERD'S TABLE, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Program Services	Supporting Services			Total Expenses
		Management and General	Fundraising	Total	
Salaries and Benefits	\$ 365,023	\$ 134,466	\$ 132,991	\$267,457	\$ 632,480
Donated Services	15,232	—	—	—	15,232
Professional Fees	—	19,565	—	19,565	19,565
Advertising / Promotion	—	80	—	80	80
Food	268,024	—	—	—	268,024
Clothing and Other Supplies	810,725	—	—	—	810,725
Tokens	3,773	—	—	—	3,773
Food — Supporting	9,372	—	—	—	9,372
Prescriptions	5,679	—	—	—	5,679
Insurance	—	16,795	—	16,795	16,795
Office and Other Supplies	185	3,956	5,631	9,587	9,772
Postage and Delivery	1,293	1,310	6,301	7,611	8,904
Printing	7,593	2,618	16,352	18,970	26,563
Telephone	—	6,415	—	6,415	6,415
Repairs and Maintenance	13,047	606	—	606	13,653
Rent	180,000	—	—	—	180,000
Depreciation	6,457	4,280	—	4,280	10,737
Interest Expense	—	538	—	538	538
Miscellaneous	4,005	8,996	17,821	26,817	30,822
Eye Clinic – Glasses & Supplies	11,143	—	—	—	11,143
Eye Doctor Fees	9,750	—	—	—	9,750
Maintenance — Copier/Phone	—	7,401	—	7,401	7,401
Meetings / Conferences	461	3,683	536	4,219	4,680
Travel	4,270	989	—	989	5,259
Bank and Merchant Fees	—	403	—	403	403
Information Technology	—	7,847	—	7,847	7,847
<b><u>TOTAL EXPENSES</u></b>	<b><u>\$ 1,716,032</u></b>	<b><u>\$ 219,948</u></b>	<b><u>\$ 179,632</u></b>	<b><u>\$ 399,580</u></b>	<b><u>\$ 2,115,612</u></b>

The accompanying notes are an integral part of this financial statement.

THE SHEPHERD'S TABLE, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 — THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

The following is a summary of the significant accounting policies of the company:

Basis of Accounting

The Organization's financial statements are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Under this method revenues are recorded when earned and expenses are recognized when the obligation is incurred.

Recognition of Revenue

In accordance with the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-605-45, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

For the Statement of Cash Flows, the Organization considers the certificates of deposit to be a cash equivalent.

The accompanying notes are an integral part of this financial statement.

THE SHEPHERD'S TABLE, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 — THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation

Financial statement presentation follows the requirements of FASB ASC 958-205-45. Under this section, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Property and Equipment

The Organization provides for depreciation using the straight-line method over five to ten years for all depreciable assets over their estimated useful lives. Assets are carried on the books at cost if purchased or at fair market value if contributed.

Depreciable Assets Consist of the following:

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Office Equipment	\$ 10,960	\$ 11,223
Computer Equipment	11,193	16,266
Furniture & Fixtures	4,659	7,169
Kitchen Equipment	59,034	55,775
Leasehold Improvements	13,835	13,835
Eye Clinic Equipment	<u>20,738</u>	<u>20,738</u>
	\$ 120,419	\$ 125,006
Accumulated Depreciation	<u>78,797</u>	<u>80,708</u>
	<u>\$ 41,622</u>	<u>\$ 44,298</u>

Income Taxes

The Organization has been granted tax exempt status under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been recorded. The Organization paid no income or excise taxes during the years ended December 31, 2015 and 2014.

Interest Expense

The Organization paid interest expense of \$785 for the year ended December 31, 2015 and \$538 for the year ended December 31, 2014.

THE SHEPHERD'S TABLE, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 — THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Contributions Receivable

All contributions receivable are due in less than one year. Management feels all contributions receivable will be collected; accordingly, there is no allowance for doubtful accounts.

NOTE 2 — INVESTMENTS

The Organization has a Certificate of Deposit with Lafayette Federal Credit Union which has an annual percentage rate of 0.30% for 2015 and 0.30% for 2014. The balance of the certificate at December 31, 2015 was \$144,182 and at December 31, 2014 was \$193,628. The Credit Union also holds a savings account which contained \$251 at December 31, 2015 and \$251 at December 31, 2014.

FASB ASC 820-10 establishes a framework for measuring fair value. That framework provides for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under this section are described below:

- Level 1 Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2 Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

THE SHEPHERD'S TABLE, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 2 — INVESTMENTS (CONTINUED)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The Organization's only assets that fall under the fair value hierarchy at December 31, 2014 and December 31, 2013 were investments in common stock and/or mutual funds. They were valued at the closing price reported on the active market on which the individual securities are traded; accordingly it is considered to be a Level 1 asset. As of December 31, 2015 the investments had a fair value of \$566,175 and an unrealized loss of \$44,180. As of December 31, 2014 the investments had a fair value of \$579,996, which amounted to an unrealized loss of \$19,487.

NOTE 3 — CONTRIBUTED SERVICES AND MATERIALS

The Organization receives a substantial amount of services and materials through donations in carrying out its programs. FASB ASC 958-605-30 states that contributions shall be reported at their fair market values as either unrestricted, temporarily restricted, or permanently restricted support.

During 2015 the Organization received an estimated \$240,969 in food from area grocery stores, food banks, and other sources. In addition, an estimated \$669,900 in clothing and supplies was donated to the Organization's Clothes Closet. During 2014, \$233,549 in food and \$809,320 in clothing and supplies was donated. These are included as contributions and expenses in the statement of activities.

The Organization occupies space at 8210 Dixon Avenue, Silver Spring, Maryland. The premises are leased by Montgomery County to Silver Spring Community Vision, who subleases to The Shepherd's Table. The lease was renewable by Montgomery County until June 30, 2000. A new lease was signed effective July 1, 2000 and expired on June 30, 2003. Silver Spring Community Vision provides the Organization rent-free space, parking and county-owned furniture and equipment, as well as utility, industrial cleaning and maintenance payments. Community Vision was taken over by another organization. Currently, no lease agreement is in existence. The county has estimated the value to be \$180,000 for both 2015 and 2014 due to a major revitalization underway in the Silver Spring area. These amounts are included in contributions and expenses in the statement of activities.

In accordance with FASB ASC 958-605-30, contributions of services shall be recognized if the services received create or enhance nonfinancial assets or require specialized skills. The Organization received donated professional services valued at \$2,000 during 2014. Additionally in 2015 and 2014 the Organization received \$5,225 and \$19,155, respectively, in donations for use in special events held during the year (food, printing, entertainment, supplies, etc). These have been included in contributions and expenses in the statement of activities.

THE SHEPHERD'S TABLE, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 3 — CONTRIBUTED SERVICES AND MATERIALS (CONTNUED)

In addition, the Organization also received many hours of donated service from volunteers who serve and prepare food, answer phones, work in the Clothes Closet, etc. No amounts have been recognized for these services in the statement of activities because the criteria for recognition of such volunteer effort under FASB ASC 958-605-30.

All estimates are per the Organization.

NOTE 4 — COMMITMENTS AND CONTINGENCIES

On July 25, 1989, the Organization entered into a one year agreement with the Montgomery County Government, in the amount of \$16,800, to provide certain services to the homeless. Under this agreement the Organization receives reimbursement for specific expenditures. The agreement was renewed on July 1, 1991 and has been renewed every July since that date and currently extends through June 30, 2016.

NOTE 5 — COMPENSATED ABSENCES

The Organization does not accrue for compensated absences. Annual and sick leave are both on a use-or-lose basis, so no accrual is necessary.

NOTE 6 — UNCERTAIN INCOME TAX POSITIONS

The Organization has been classified as an other-than private foundation and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. The Organization is subject to tax on income from any unrelated business.

Accounting principles generally accepted in the United States of America require the Organization to evaluate tax positions taken by the Organization and recognize a tax liability or asset if the Organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by taxing authorities.

The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at December 31, 2014.

THE SHEPHERD'S TABLE, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 6 — UNCERTAIN INCOME TAX POSITIONS (CONTINUED)

The Organization is subject to routine audits by taxing jurisdictions; however there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2011.

The Organization's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

NOTE 7 — CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Organization maintains cash accounts with various banks. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 per bank. At December 31, 2015 the balance per the bank statements for the Organization's accounts did not exceed the insured limits.

NOTE 8 — CAPITAL LEASE PAYABLE

During 2014 the Organization entered into a new thirty-six month capital lease for telephone equipment with Avaya Financial Services. This lease is payable in monthly installments of \$309, which includes interest at 11.71% per annum. The gross amount of this asset under capital lease of \$9,353 is included in office equipment. The balance due under this lease is \$5,084 as of December 31, 2015 and \$8,012 as of December 31, 2014. Accumulated amortization is 2,806 as of December 31, 2015 and \$935 as of December 31, 2014. During 2014 the Organization paid off its remaining balance on a previous capital lease for phone equipment of \$961. That equipment had been booked at a cost of \$11,205 and had become fully amortized during 2014. That equipment was return to the lessor and removed from the Organization's books.

Future minimum lease payments are as follows:

Year Ending December 31,	2016	\$	3,712
	2017		1,856
	2018		— —
	2019		— —
	Thereafter		— —
Total Future Lease Payments		\$	5,568
Less: Imputed Interest			(484)
Less: Executory Costs			(— —)
Net Capital Lease Payable		\$	<u>5,084</u>

THE SHEPHERD'S TABLE, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 9 — EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 26, 2016, the date which the financial statements were available to be issued.