



This 50,000 sf building purchased in 2018 from the Chicago Public Schools has 27 classrooms that serve a variety of purposes, plus a kitchen & dining room, a library, a 300-seat auditorium and a gymnasium



**Current Services by Shepherd's Hope**

**FOOD PANTRY & FAMILY FEEDING CENTER**

***Home delivery of food by request***

***Leading the Collaborative of Tenant Ministries***

***Community Outreach: Developing Relationships, Trust and Unity***

**Program Development in Progress**

***Building Bridges & Friday Night Life***

***Hydroponic farming program & Nutrition classes***

***Vocational Training***



# History & Mission

## Ministry History:

Shepherd's Hope began in 2008 when Brian Anderson encountered a homeless man repeatedly on his way to work. Initially Brian gave him money. At the end of the second day, the Lord came to Brian & said "You make a homemade lunch for yourself every day. I want you to make one for the homeless gentleman". This continued for several weeks, & he began to build a relationship with him. One day the homeless man was no longer there. In his search to find him, Brian realized how many others needed help. He owned a construction company & lived in the northwest suburbs, but he began to feel the promptings from God to bring hope & light into Englewood, one of the roughest & darkest areas of Chicago. When he, his wife, & two other friends opened the doors to Shepherd's Hope Food Pantry in March of 2009, there were 3 drug houses on the street & violence was almost a daily occurrence. By God's grace, within two months the drug houses were gone, & the violence stopped. Now years later it's still a real neighborhood where neighbors are not afraid to come out of their houses. They can spend time with their friends & neighbors. Many of those who caused trouble are now volunteering at the food pantry! But providing food was just the beginning of life change...

## Shepherd's Hope Mission

*"To recognize and meet the needs of our neighbors, pledging to help individuals to become compassionate contributors to family, community and society; we vow to do this one life at a time."*

# What We Do: A Holistic Approach

## **FOOD PANTRY & FEEDING CENTER**

**Each week 5,000 individuals** are provided dried & canned food, frozen meat & fresh vegetables and/or hot meals served 6 days a week to our neighbors in need. Shepherd's Hope is the 4<sup>th</sup> largest food pantry in Chicago. Our food is provided by the Greater Chicago Food Depository and other local farmers and food distributors. Expanded food delivery and serving evening meals (Monday thru Friday) are part of our expanded agenda for 2021.

## **YOUTH & ADULT LEARNING CENTER**

Resources are designed to support youth through high school graduation including computer skills & entrepreneurial classes preparing them for life through career training. There are also programs for adults to improve their education and work skills.

## **OTHER CENTER OF ENGLEWOOD PROGRAMMING:**

- \* **Child Day Care** – for working **parents** providing affordable rates with an upbeat educational environment.
- \* **Basketball Clinics** – skill & discipline training 6 days a week.
- \* **Medical, Vision and Mental Health Services**
- \* **Violence Prevention & Community Building Programs** - violence prevention is essential here; we begin by reaching out to the community by developing relationships and trust with our neighbors
- \* **Daily Faith Based Outreach** – to those in need & weekly prayer, Bible studies & church services.



# OUR PARTNERS

**Healing Englewood Collaboration:**  
Working together to revitalize Englewood



## THE CENTER OF ENGLEWOOD

**THE CENTER** of Englewood is owned and operated by Shepherd's HOPE, Ltd. and houses our Food Pantry & the Family Feeding Center as well as 17 other ministries. Our facility is open 7 days a week for our neighbors in Englewood. Our partners truly make this building a center of help, hope & light for this community.

Something Good in Englewood – tutoring and mentoring for youth & teens

Pass-It-On Academy – affordable daycare for working parents

New Life KNEW Solutions – mental health assistance for families & individuals

New Hope Medical Clinic – free basic medical services

Plano Vision Center – free eye exams and eyeglasses

First Responders of Englewood – violence prevention, intervention & community outreach

Midwest Coalition to Stop Violence – violence prevention, intervention & community outreach

Kody's House – meals for the homeless on the streets & educational & empowerment programs

Basketball by Blue – skills training for youth and teens

Gospel Warriors – Media production, gospel ministry, and general education training

Comp-U-Dopt – computer skills training for youth, teens and adults

Brown Sugar Youth Entrepreneur Academy – entrepreneurial training for youth and teens

Liberty Harvest Christian Center – job training and job placement

Cobra Back Foundation - 7<sup>th</sup> District Police build relationship with ages 9-17 youth thru RCP

Rip'n & Sew'n: A Sowing & Reaping Ministry – teaching sewing skills and mentoring

New Life Resurrection Universal Mission Church – Sunday Services, bible studies, job training

Ashes to Beauty Church – Sunday Services, bible studies, and community outreach



# THE CENTER of Englewood

## Accomplishments & Goals

### THE CENTER TODAY...

- **Serves 5,000** individuals (food pantry items and/or hot meals.
- **Receives \$3.2 MILLION** in food donations yearly
- **Provides 175+** individuals a week with medical, mental health & vision services
- **Hosts 200** youth & teens with multiple basketball skills camps each week
- **Facilitates** daily afterschool programs for 100 youth and teens.
- **Facilitates** faith-based studies and outreach for 100 individuals a week.
- **Facilitates 5 tenant programs** that offer training in a variety of skills leading to future employment

### OVER THE NEXT 3 YEARS

#### Our goal is:

- **500+** medical and vision exams and mental health services provided monthly.
- **100+** community residents (ages 18-40) will receive new skills & some will receive a certificate in a skilled trade
- **100%** of youth will graduate from elementary school.
- **75%** of teens will graduate from High School.
- **90%** of high school graduates will either enter college, trade school or be employed.

# Awards

**American Multi Ethnic Coalition Global Community Oscar Gala**

**2021 Golden Eagle Award**

**American Red Cross of Greater Chicago Heroes**

**2012 Citizenship Award**

Both Awards presented to Brian Anderson, Shepherd's Hope Executive Director

website: [www.shepherdshopechicago.org](http://www.shepherdshopechicago.org)





44 N. Walkup Ave.  
Crystal Lake, IL 60014  
T: 815-459-0700  
GRA-CPA.COM

Accounting • Auditing • Consulting

# SHEPHERD'S HOPE, LTD.

Annual Financial Report  
For the Year Ended June 30, 2020



# SHEPHERD'S HOPE, LTD

## TABLE OF CONTENTS

*Years Ended June 30, 2020*

	<u>PAGES</u>
Independent Auditor's Report	1-2
Basic Financial Statements:	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Basic Financial Statements	7-11



44 N. Walkup Ave.  
Crystal Lake, IL 60014  
T: 815-459-0700  
GRA-CPA.com

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Shepherd's Hope, LTD  
Chicago, Illinois

### Report on the Financial Statements

We have audited the accompanying financial statements of Shepherd's Hope, Ltd. (an Illinois not-for-profit corporation), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, statement of allocations to social service agencies, statement of functional expenses, and statement of 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 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.

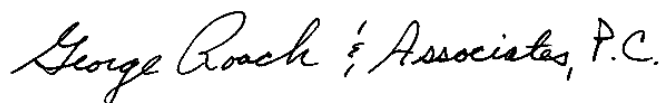
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Shepherd's Hope, Ltd. as of June 30, 2020, and the Statement of Activities and changes in net assets, statement of allocations to social service agencies, statement of functional expenses, and statement of cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses as described in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



George Roach & Associates, P.C.  
Certified Public Accountants  
Crystal Lake, Illinois

December 23, 2021

# SHEPHERD'S HOPE, LTD.

## Statement of Financial Position

June 30, 2020

	Assets	2020
<b>Current Assets</b>		
Cash and cash equivalents		\$ 29,024
Receivables		5,314
Prepaid items		504
<b>Total Current Assets</b>		<b>34,842</b>
<b>Fixed Assets</b>		
Land		25,154
Furniture and office equipment		27,038
Buildings		61,470
<b>Total Fixed Assets</b>		<b>113,662</b>
Less: accumulated depreciation		12,485
<b>Net Fixed Assets</b>		<b>101,177</b>
<b>Total Assets</b>		<b>\$ 136,019</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable		\$ 6,454
<b>Total Current Liabilities</b>		<b>6,454</b>
<b>Noncurrent Liabilities</b>		
Current portion of loan payable		41,511
Noncurrent portion of loan payable		205,757
<b>Total Noncurrent Liabilities</b>		<b>247,268</b>
<b>Total Liabilities</b>		<b>253,722</b>
<b>Net Assets</b>		
Net assets without donor restrictions		(117,703)
Net assets with donor restrictions		-
<b>Total Net Assets</b>		<b>(117,703)</b>
<b>Total Liabilities and Net Assets</b>		<b>\$ 136,019</b>

The accompanying notes are an integral part of these financial statements.

**SHEPHERD'S HOPE, LTD.***Statement of Activities and Changes in Net Assets**For the Year Ended June 30, 2020*

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Totals 2020</b>
<b>Revenue, Gains and Other Support</b>			
Corporate contributions	\$ 20,103	\$ 3,600	\$ 23,703
Individual contributions	118,928	9,100	128,028
Nonprofit contributions	10,600	10	10,610
Rental	138,105	-	138,105
In-kind contributions	2,861,514	-	2,861,514
Miscellaneous receipts/grants	36,494	-	36,494
Net assets released from restrictions	12,710	(12,710)	-
<b>Total Revenue, Gains and Other Support</b>	<b>3,198,454</b>	<b>-</b>	<b>3,198,454</b>
<b>Expenses</b>			
Program services*	3,264,938	-	3,264,938
Fundraising and affiliation dues*	4,098	-	4,098
Management and general*	42,900	-	42,900
<b>Total Expenses</b>	<b>3,311,936</b>	<b>-</b>	<b>46,998</b>
<b>Net change from activities</b>	<b>(113,482)</b>	<b>-</b>	<b>3,151,456</b>
<b>Change in net assets</b>	<b>(113,482)</b>	<b>-</b>	<b>(113,482)</b>
<b>Net assets, beginning of year</b>	<b>(4,221)</b>	<b>-</b>	<b>(4,221)</b>
<b>Net assets, end of year</b>	<b>\$ (117,703)</b>	<b>\$ -</b>	<b>\$ (117,703)</b>

\*See detailed schedule on page 5.

The accompanying notes are an integral part of these financial statements.

**SHEPHERD'S HOPE, LTD.***Statement of Functional Expenses**For the Year Ended June 30, 2020*

	<b>Program Services</b>	<b>Fundraising</b>	<b>Administration General</b>	<b>Total 2020 Expenses</b>
Contracted services	\$ 201,184	\$ 2,074	\$ 4,148	\$ 207,406
Utilities	71,909	-	3,785	75,694
Repairs and maintenance	68,885	-	3,626	72,511
Interest expense	-	-	8,866	8,866
Supplies	12,523	-	1,391	13,914
Insurance	12,443	-	1,383	13,826
Vehicle expenses	10,499	-	1,167	11,666
Donated food	2,856,714	-	-	2,856,714
Miscellaneous	13,683	-	5,862	19,545
Professional fees	11,488	-	11,488	22,976
Volunteer expenses	3,269	-	172	3,441
Depreciation	574	2,024	423	3,021
Computer expenses	1,767	-	589	2,356
<b>Total Expenses</b>	<b>\$ 3,264,938</b>	<b>\$ 4,098</b>	<b>\$ 42,900</b>	<b>\$ 3,311,936</b>

The accompanying notes are an integral part of these financial statements.



# **SHEPHERD'S HOPE, LTD.**

## *Statement of Cash Flows*

*For the Year Ended June 30, 2020*

<b>Cash Flows from Operating Activities</b>	
	<b>2020</b>
<b>Change in Net Assets</b>	\$ (113,482)
<b>Adjustments to Reconcile Net Position to Net Cash provided/(used) by Operating Activities:</b>	
Depreciation	3,021
Changes in net position:	
(Increase)/decrease receivables	15,432
Increase/(decrease) deposits	(20,822)
Increase/(decrease) accounts payable	(70,832)
<b>Net Cash Provided/(used) by Operating Activities</b>	<b>(186,683)</b>
<b>Cash Flows from Investing Activities</b>	
Investment in fixed assets, net	(11,657)
<b>Net Cash provided/(used) by Investing Activities</b>	<b>(11,657)</b>
<b>Cash Flows from Financing Activities</b>	
Debt payments	(41,500)
Loan proceeds	247,268
<b>Net Cash provided/(used) by Financing Activities</b>	<b>205,768</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>7,428</b>
<b>Cash at Beginning of Year</b>	<b>21,596</b>
<b>Cash at End of Year</b>	<b>\$ 29,024</b>

The accompanying notes are an integral part of these financial statements.

# SHEPHERD'S HOPE, LTD.

Notes to the Basic Financial Statements

Year Ended June 30, 2020

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

---

Shepherd's Hope Ltd. (the "Organization") is an Illinois not-for-profit organization, focused on providing free food to residences of the Englewood neighborhood, one of the most impoverished and dangerous districts in Chicago, Illinois. The Organization receives funds and in-kind contributions from corporations, individuals, and other non-for-profit organizations around the Chicago metropolitan region.

### BASIS OF ACCOUNTING:

The Organization maintains its accounting records and prepares its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. The accrual basis of accounting recognizes pledges as revenue when pledged and expenses when incurred. Where there is a choice between two or more generally accepted principles, the principle which the Organization believes will best reflect its financial position and results of operations is selected.

### CASH AND CASH EQUIVALENTS:

For purposes of these financial statements, the Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

### FIXED ASSETS:

The Organization has a policy of capitalizing all expenditures for fixed assets greater than \$500; the fair market value of donated fixed assets are similarly capitalized. Depreciation of the fixed assets as reported has been computed by the straight-line method over the estimated useful lives as follows:

	<u>Years</u>
Building	40
Furniture and Equipment	3-7

### CONTRIBUTIONS:

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions and are temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, net assets with restrictions are reclassified to net assets without donor restrictions. The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

# SHEPHERD'S HOPE, LTD..

Notes to the Basic Financial Statements

Year Ended June 30, 2020

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

---

### DONATED SERVICES:

The value of contributed time (unpaid volunteers) is not reflected in these statements since it is not susceptible to objective measurement of valuation.

### FUNCTIONAL ALLOCATION OF EXPENSES:

The costs of providing the various allocations and agency relations, fundraising, and management and general services have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the allocations and agency relations, fundraising, and management and general services benefited.

### ESTIMATES:

The preparation of financial statements in conformity with 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.

### INCOME TAX STATUS:

The Organization qualifies as a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending June 30, 2017, 2018, and 2019 are subject to examination by the IRS, generally for three years after they are filed.

## NOTE 2 – CASH AND CASH EQUIVALENTS

---

The Organization maintains cash balances at two financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC insured) up to \$250,000. The Organization has not experienced any loss in such accounts. As of June 30, 2020, there was \$29,024 FDIC insured and \$ 0 uncollateralized cash balances. The Organization believes it is not exposed to any significant credit risk on its cash balances. At June 30, 2020, the Organization had the following cash and investments:

Category 1	Insured or collateralized with securities held by the entity or by its agent in the entity's name.
Category 2	Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
Category 3	Uncollateralized.

# SHEPHERD'S HOPE, LTD.

Notes to the Basic Financial Statements

Year Ended June 30, 2020

## NOTE 2 – CASH AND CASH EQUIVALENTS

Pooled Deposits	Category			Bank Balance	Carrying Amount
	1	2	3		
Checking & Savings	\$ 29,024	\$ -	\$ -	\$ 29,024	\$ 29,024
	\$ 29,024	\$ -	\$ -	29,024	29,024
	Total Deposits			\$ 29,024	\$ 29,024

## NOTE 3 – FIXED ASSETS

A summary of fixed assets:

Fixed Assets	Balance	Increases	Decreases	Balance
	July 1, 2019			June 30, 2020
Land	\$ 25,154	\$ -	\$ -	\$ 25,154
Buildings & improvements	61,470	-	-	61,470
Equipment, furniture & fixtures	27,038	-	-	27,038
<b>Total Capital Assets</b>	113,662	-	-	113,662
Less: Accumulated Depreciation	9,464	3,021	-	12,485
<b>Capital Assets (Net)</b>	\$ 104,198	\$ (3,021)	\$ -	\$ 101,177

Depreciation expense for the year ended June 30, 2020 is \$3,021.

# SHEPHERD'S HOPE, LTD.

Notes to the Basic Financial Statements Year  
Ended June 30, 2020

## NOTE 4 – LONG-TERM DEBT

The organization has two obligations outstanding at June 30, 2020.

	<u>Balance</u>
Demand Note payable,	\$ 20,000
Installment loan, payable in monthly payments with interest at 4.96% through Dec. 1, 2029	\$ 227,268

Annual repayment requirements of the debt obligations are as follows:

Long-Term Debt	<u>July 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2020</u>	<u>One Year</u>
Demand Note	\$ 41,500	\$ 20,000	\$ 41,500	\$ 20,000	\$ 20,000
Installment Loan	-	235,000	7,732	227,268	21,511
<b>Total Long Term Obligations</b>	<u>\$ 41,500</u>	<u>\$ 255,000</u>	<u>\$ 49,232</u>	<u>\$ 247,268</u>	<u>\$ 41,511</u>

Debt service requirements:

<u>Fiscal Year Ended</u>	<u>Amount</u>
2021	\$ 52,424
2023	32,424
2024	32,424
2025	32,424
2026	32,424
Thereafter	118,125
Amount of Interest	(52,977)
	<u>\$ 247,268</u>

# SHEPHERD'S HOPE, LTD.

*Notes to the Basic Financial Statements Year  
Ended June 30, 2020*

## NOTE 5 – NET ASSETS

---

### NET ASSETS WITHOUT DONOR RESTRICTIONS:

Net assets that are not subject to any donor-imposed stipulations.

### NET ASSETS WITH RESTRICTIONS:

#### TEMPORARILY RESTRICTED -

Net assets subject to imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

#### PERMANENTLY RESTRICTED:

Net assets subject to donor-imposed stipulations that are required to be maintained permanently by the Organization are also included in this category. Income earned on these assets is available as unrestricted revenue to the Organization. No assets were subject to permanent restrictions at year ending June 30, 2020.

## NOTE 6 – CONTINGENCIES

---

The Organization is not aware of any other pending litigation or potential non-disclosed liabilities that management believes would have a material effect on the financial statements.

## NOTE 7 – SUBSEQUENT EVENTS

---

The Organization has evaluated subsequent events through the date on which the financial statements were available to be issued.