



**Skeehan & Company**  
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FILE NO.

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Good Shepherd Shelter of Los Angeles  
Los Angeles, CA

We have audited the accompanying financial statements of Good Shepherd Shelter of Los Angeles (a California Nonprofit Corporation), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities and changes in net assets, 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.

MEMBER

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS and CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Good Shepherd Shelter of Los Angeles as of December 31, 2013 and 2012, 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.



Skeehan & Company

June 19, 2014

GOOD SHEPHERD SHELTER OF LOS ANGELES  
STATEMENTS OF FINANCIAL POSITION  
December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<b>Assets</b>		
Current Assets		
Cash	\$ 412,990	\$ 639,235
Accounts and loans receivable	16,595	5,461
Prepaid expenses	26,448	25,746
Total current assets	456,033	670,442
Land, buildings, and equipment, net of accumulated depreciation of \$1,512,043 and \$1,499,066 (Note C)	1,238,999	1,215,614
Other Assets		
Pooled investments - Sisters of the Good Shepherd Province of Mid-North America (Note B)	1,747,661	1,675,770
Deposits	65	65
Total Other Assets	1,747,726	1,675,835
<b>TOTAL ASSETS</b>	<b>\$ 3,442,758</b>	<b>\$ 3,561,891</b>
 <b>Liabilities and Net Assets</b>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 26,627	\$ 48,663
Security deposits	1,400	3,200
Current portion of note payable	10,680	22,861
Total Current Liabilities	38,707	74,724
Long Term Liabilities		
Note payable (Note E)	259,930	464,556
Total Long Term Liabilities	259,930	464,556
<b>TOTAL LIABILITIES</b>	298,637	539,280
 <b>Net assets</b>		
Unrestricted	3,141,871	3,002,611
Temporarily restricted (Note J)	2,250	20,000
<b>TOTAL NET ASSETS</b>	3,144,121	3,022,611
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,442,758</b>	<b>\$ 3,561,891</b>

The accompanying notes are an integral part of these financial statements

GOOD SHEPHERD SHELTER OF LOS ANGELES  
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
For the years ended December 31, 2013 and 2012

	2013			2012		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Support</b>						
Contributions from public	\$ 545,023	\$ 284,580	\$ 829,603	\$ 707,481	\$ 345,493	\$ 1,052,974
Contributions from the Province (Note E)	4,517	-	4,517	-	-	-
Contributed Sisters' services (Note A)	332,286	-	332,286	51,359	-	51,359
Support in-kind-volunteers (Note A)	479,209	-	479,209	596,189	-	596,189
Donations in-kind (Note A)	396,409	-	396,409	414,685	-	414,685
Net assets released from restrictions (Note K)	<u>302,330</u>	<u>(302,330)</u>	<u>-</u>	<u>504,255</u>	<u>(504,255)</u>	<u>-</u>
<b>SUPPORT</b>	<u>2,059,774</u>	<u>(17,750)</u>	<u>2,042,024</u>	<u>2,273,969</u>	<u>(158,762)</u>	<u>2,115,207</u>
<b>Revenues and Gains (Losses)</b>						
Investment income	24,820	-	24,820	26,127	-	26,127
Realized gain on sales of investments	51,374	-	51,374	27,814	-	27,814
Realized gain on sales of fixed assets	7,500	-	7,500	-	-	-
Program service fee	8,494	-	8,494	13,269	-	13,269
Rental income	30,732	-	30,732	39,083	-	39,083
Settlement Income	-	-	-	75,000	-	75,000
Miscellaneous income	155	-	155	35,366	-	35,366
<b>REVENUES AND GAINS (LOSSES)</b>	<u>123,075</u>	<u>-</u>	<u>123,075</u>	<u>216,659</u>	<u>-</u>	<u>216,659</u>
<b>TOTAL SUPPORT, REVENUES AND GAINS (LOSSES)</b>	<u>2,182,849</u>	<u>(17,750)</u>	<u>2,165,099</u>	<u>2,490,628</u>	<u>(158,762)</u>	<u>2,331,866</u>
<b>Expenses</b>						
Program services	1,867,738	-	1,867,738	1,933,511	-	1,933,511
Management and general	216,553	-	216,553	184,430	-	184,430
Fundraising	150,038	-	150,038	124,458	-	124,458
<b>TOTAL EXPENSES</b>	<u>2,234,329</u>	<u>-</u>	<u>2,234,329</u>	<u>2,242,399</u>	<u>-</u>	<u>2,242,399</u>
<b>CHANGES IN NET ASSETS BEFORE OTHER CHANGES</b>	<u>(51,480)</u>	<u>(17,750)</u>	<u>(69,230)</u>	<u>248,229</u>	<u>(158,762)</u>	<u>89,467</u>
<b>Other Changes</b>						
Net Unrealized gain on investments	190,740	-	190,740	110,256	-	110,256
<b>TOTAL OTHER CHANGES</b>	<u>190,740</u>	<u>-</u>	<u>190,740</u>	<u>110,256</u>	<u>-</u>	<u>110,256</u>
<b>CHANGE IN NET ASSETS</b>	139,260	(17,750)	121,510	358,485	(158,762)	199,723
<b>Net Assets, Beginning of Year</b>	<u>3,002,611</u>	<u>20,000</u>	<u>3,022,611</u>	<u>2,644,126</u>	<u>178,762</u>	<u>2,822,888</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 3,141,871</u>	<u>\$ 2,250</u>	<u>\$ 3,144,121</u>	<u>\$ 3,002,611</u>	<u>\$ 20,000</u>	<u>\$ 3,022,611</u>

The accompanying notes are an integral part of these financial statements

GOOD SHEPHERD SHELTER OF LOS ANGELES  
 STATEMENTS OF CASH FLOWS  
 For the years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 121,510	\$ 199,723
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities-		
Depreciation	43,929	52,600
Donated fixed assets	(48,408)	-
Unrealized gain on investments	(190,790)	(110,256)
Realized gain on sales of investments	(51,374)	(27,814)
Realized gain on sale of fixed assets	(7,500)	-
Changes in assets and liabilities		
Increase/(decrease) in accounts receivable	(11,134)	18,320
Increase/(decrease) in prepaid expenses	(702)	(5,187)
Increase/(decrease) in deposits	(1,800)	1,609
(Increase)/decrease in accounts payable	(22,035)	23,766
	<u>(168,304)</u>	<u>152,761</u>
<b>NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES</b>		
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(18,907)	(55,720)
Cash received from sale of fixed assets	7,500	-
Sales of pooled investments-Sisters of the Good Shepherd Province of Mid-North America	170,273	123,976
	<u>158,866</u>	<u>68,256</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>		
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on note payable	(216,807)	(22,408)
	<u>(226,245)</u>	<u>198,609</u>
<b>NET (DECREASE)/INCREASE IN CASH</b>		
<b>Cash, Beginning of Year</b>	<u>639,235</u>	<u>440,626</u>
<b>CASH, END OF YEAR</b>	<u>\$ 412,990</u>	<u>\$ 639,235</u>
<b>Supplemental Disclosures:</b>		
Cash paid on:		
Interest	<u>\$ 2,155</u>	<u>\$ 9,992</u>

The accompanying notes are an integral part of these financial statements

GOOD SHEPHERD SHELTER OF LOS ANGELES  
STATEMENTS OF FUNCTIONAL EXPENSES  
For the years ended December 31, 2013 and 2012

	2013				2012			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
<b>Operating Expenses</b>								
Salaries	\$ 465,844	\$ 95,414	\$ -	\$ 561,258	\$ 520,984	\$ 84,660	\$ 45,586	\$ 651,230
Sisters' services	302,063	33,563	5,534	341,160	64,259	7,140	33,204	104,603
Payroll taxes and employee benefits	105,160	21,539	-	126,699	115,086	18,701	10,070	143,857
Professional fees and contracted services	3,336	12,605	-	15,941	-	10,821	-	10,821
Supplies	8,603	5,798	-	14,401	30,350	4,164	-	34,514
Telephone and postage	1,898	6,499	-	8,397	1,840	6,746	-	8,586
Occupancy								
Utilities	21,080	8,008	-	29,088	24,618	9,750	-	34,368
Property insurance	29,537	12,542	-	42,079	27,276	11,690	-	38,966
Repairs and maintenance	32,267	8,789	-	41,056	44,672	9,190	-	53,862
Local transportation/vehicle expenses/auto insurance	6,328	-	-	6,328	7,135	-	-	7,135
Equipment maintenance and rental	5,005	4,304	-	9,309	10,474	9,787	-	20,261
Specific assistance to individuals	2,403	528	-	2,931	3,727	1,425	-	5,152
Specific assistance to individuals-in-kind	348,001	-	-	348,001	414,685	-	-	414,685
Fundraising	-	-	144,504	144,504	-	-	35,598	35,598
Conferences, conventions, and meetings	(879)	-	-	(879)	6,028	-	-	6,028
Miscellaneous	13,954	292	-	14,246	13,588	364	-	13,952
Interest	-	6,672	-	6,672	-	9,992	-	9,992
Depreciation	43,929	-	-	43,929	52,600	-	-	52,600
<b>TOTAL OPERATING EXPENSES</b>	<u>1,388,529</u>	<u>216,553</u>	<u>150,038</u>	<u>1,755,120</u>	<u>1,337,322</u>	<u>184,430</u>	<u>124,458</u>	<u>1,646,210</u>
Support in-kind-volunteers	479,209	-	-	479,209	596,189	-	-	596,189
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>\$ 1,867,738</u>	<u>\$ 216,553</u>	<u>\$ 150,038</u>	<u>\$ 2,234,329</u>	<u>\$ 1,933,511</u>	<u>\$ 184,430</u>	<u>\$ 124,458</u>	<u>\$ 2,242,399</u>

The accompanying notes are an integral part of these financial statements

GOOD SHEPHERD SHELTER OF LOS ANGELES  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2013 and 2012

**NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Good Shepherd Shelter of Los Angeles (the Program) is a California not-for-profit corporation engaged in the shelter, care, education, and counseling of battered women and their children. The accompanying financial statements include the activities of the Good Shepherd Shelter of Los Angeles only. The statements do not include any assets, liabilities, or other activities of the Sisters of the Good Shepherd. The Good Shepherd Shelter of Los Angeles follows generally accepted accounting principles of voluntary health and welfare programs.

**Basis of Presentation**

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Good Shepherd Shelter of Los Angeles and changes therein are classified and reported as follows:

*Unrestricted net assets*—net assets that are not subject to donor-imposed stipulations.

*Temporarily restricted net assets*—net assets subject to donor-imposed stipulations that may or will be met either by actions of the Shelter and/or the passage of time.

**Cash**

The Good Shepherd Shelter of Los Angeles considers cash on hand and deposits in banks as cash. At times, the cash balances may be in excess of the FDIC insurance limit.

**Land, Buildings, and Equipment**

Land, Buildings, and Equipment are recorded at historical cost. Buildings and Equipment are depreciated using the straight-line method over their estimated useful lives, which range from 3 to 75 years. All expenditures in excess of \$1,000 are capitalized.

**Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

**Revenue Recognition**

The Good Shepherd Shelter of Los Angeles reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor 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.

**Contributed Services**

The Program often receive significant amounts of donated volunteer services, including legal services, assistance in fund-raising activities, participation in program or administrative activities, etc. Contributed services relate to an individual's personal services, and they may or may not qualify for recognition as a contribution. GAAP requires the fair value of donated services to be recognized in the financial statements if the services either—

GOOD SHEPHERD SHELTER OF LOS ANGELES  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
December 31, 2013 and 2012

**NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

**Contributed Services**

- a. create or enhance a nonfinancial asset; or
- b. require specialized skills, are provided by entities or persons possessing those skills, and would be purchased if they were not donated.

Services that do not meet either of the preceding criteria were not recognized.

Support arising from contributed services of religious personnel is recognized. The Program received \$332,286 and \$51,359 of donated services for the year ended December 31, 2013 and 2012, respectively.

**Support in-kind**

Volunteers provide assistance to the Program throughout the year. Contributions of donated services that create or enhance non-financial assets or that require specialized skills which would typically need to be purchased if not provided by donation, are recorded at fair values in the period in which they are received. Such services are reflected in the accompanying financial statements as both revenue and expense. The Program received \$479,209 and \$569,189 of donated services during the years ended December 31, 2013 and 2012, respectively.

**Donations in-kind**

The Program receives various non-cash items throughout the year. These items include furniture, household items, books, office supplies, and food. The estimated value of these items is reflected in the accompanying financial statements as both revenue and expense.

**Create or Enhance Nonfinancial Assets**

Donated services that create or enhance a nonfinancial asset do not require specialized skills to be recognized as contributions. Nonfinancial assets are items such as equipment, furniture and other tangible assets. (Enhancement of a nonfinancial asset does not include routine maintenance.) When donated services create or enhance a nonfinancial asset, the value of the services is capitalized as part of the cost of the asset. Donated services that create or enhance a nonfinancial asset may be recognized at the fair value of the donated services or the fair value of the asset created (or the increase in fair value of an enhanced asset).

**Require Specialized Skills**

The term specialized skills for purposes of recognizing contributed services generally refers to skills such as those provided by attorneys, therapists, educators, or other professionals and craftsmen.

Determining whether to record contribution revenue as a result of receiving donated services often requires judgment. Additionally, organizations need to determine whether those services would be purchased if they were not donated. If the donated service is directed toward meeting the organization's mission, goals, or strategic plan, it is more likely that such service would need to be purchased if it was not donated. This distinction may be helpful when evaluating whether donated services should be recorded.



GOOD SHEPHERD SHELTER OF LOS ANGELES  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 December 31, 2013 and 2012

**NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

**Miscellaneous Income**

In July 2012, the Program won a Toyota Sienna in a giveaway contest, valued at \$35,200. Miscellaneous income includes various minor incomes amounting to \$155 and \$35,366 for the years ended December 31, 2013 and 2012, respectively.

**Subsequent Events**

Subsequent events have been evaluated through June 19, 2014, which is the date the financial statements were available to be issued. Through that date, management has determined that the Program did not have any material recognizable or non-recognizable subsequent events.

**NOTE B—POOLED INVESTMENTS—SISTERS OF THE GOOD SHEPHERD PROVINCE OF MID-NORTH AMERICA**

Investments are in a pooled investment program with the Sisters of Good Shepherd Province of Mid-North America (PMNA). Pooled investments are acquired in the name of PMNA and are held by the Custodian Bank. The pooled investment program is secured by the underlying securities. The fair value of the securities, held in the program, is generally based on quoted market prices for securities that are marketable. The Good Shepherd Shelter of Los Angeles is provided units of the pooled investments based on a proportionate share of investments in the pool and a per-unit is established by the custodian based on the fair value of the underlying securities of the investment pool.

**NOTE C—LAND, BUILDINGS, AND EQUIPMENT**

Land, buildings, and equipment consist of the following:

	<u>2013</u>	<u>2012</u>
Land and improvements	\$ 643,900	\$ 614,207
Building and improvements	1,672,737	1,655,519
Equipment	278,604	258,201
Vehicles	<u>155,801</u>	<u>186,753</u>
Total	2,751,042	2,714,680
Less: accumulated depreciation	<u>(1,512,043)</u>	<u>(1,499,066)</u>
Net	<u>\$ 1,238,999</u>	<u>\$ 1,215,614</u>

Depreciation expense amounted to \$43,929 and \$52,600 for the years ended December 31, 2013 and 2012, respectively.

**NOTE D—OPERATING LEASES**

The Program leases office equipment under operating leases expiring in July 2018. Lease expense for office equipment was \$7,555 and \$18,543 for the years ended December 31, 2013 and 2012, respectively.

GOOD SHEPHERD SHELTER OF LOS ANGELES  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 December 31, 2013 and 2012

**NOTE D—OPERATING LEASES** *(Continued)*

Minimum lease payments required under the above operating leases are as follows:

2014	\$ 7,023
2015	7,023
2016	7,023
2017	7,023
2018	<u>2,926</u>
	<u>\$ 31,018</u>

**NOTE E—NOTE PAYABLE**

The Program has a note payable to the Sisters of the Good Shepherd Province of Mid-North America, a related entity. The original terms of the note bears interest at a fixed rate of 2.00%, payable in monthly installments of \$2,700, set to expire November 1, 2030.

The Province of Mid-North America modified the loan agreement, effective March 1, 2013, after a lump payment of \$166,262 was made in February 2013. The monthly installments were decreased from \$2,700 to \$1,787, and are to be suspended from March 2013 to February 2014. During the suspended period, interest incurred will not be paid out, but recorded as interest expense and as contribution income from the Province of Mid-North America in an equal amount. In September 2013, the Program made an additional lump payment of \$50,000, reducing the monthly payable to \$1,511. Monthly installment payments are set to begin March 2014. With the loan modifications, the maturity date is extended to November 1, 2031, with a fixed interest rate of 2.00%.

For the year ending December 31, 2013, \$4,517 was reported as contribution income and interest expense, of equal amounts. Interest paid was \$2,155 and \$9,992, with a total of \$6,672 and \$9,992 of interest expense reported for the years ended December 31, 2013 and 2012, respectively.

Revised minimum maturities on the note payable based on the new terms for the next five years and thereafter are as follows:

2014	\$ 10,680
2015	13,053
2016	13,316
2017	13,585
2018	13,859
Thereafter	<u>206,117</u>
	<u>\$ 270,610</u>

GOOD SHEPHERD SHELTER OF LOS ANGELES  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 December 31, 2013 and 2012

**NOTE F—FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Program's financial instruments are cash, investments, unconditional promises to give, accounts payable and accrued liabilities, and obligations related to the Program. The recorded values of cash, unconditional promises to give, accounts payable and accrued liabilities approximate their fair values based on their short-term nature. The recorded values of obligations related to the Program approximate fair values, as the present value discount rate approximates current market rates.

**NOTE G—FAIR VALUE MEASUREMENTS**

The Program utilizes various methods to measure the fair value of its financial assets. Assets valued using level 1 inputs are based on unadjusted quoted market prices for identical assets and liabilities in an active market that the Program has the ability to access. Financial assets valued using level 2 are inputs other than the quoted prices in active markets that are observable either directly or indirectly. Financial assets using level 3 inputs are based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements. There have been no changes in valuation techniques and related inputs for the Program.

Cash – The carrying amount reported in the statement of financial position approximates fair value because of the short maturity of those instruments.

Note payable – The carrying amount reported in the statement of financial position approximates fair values because the Program can obtain similar loans at the same terms.

Pooled investments – The fair value of instruments in marketable equity and debt securities is based on quoted market prices for similar assets in active markets that are observable either directly or indirectly.

	Gross Amort. Cost	Estimated Market Value	Accumulated Unrealized Gain
2013 Pooled investments	\$ 1,440,606	\$ 1,747,661	\$ 307,055
2012 Pooled investments	\$ 1,559,456	\$ 1,675,770	\$ 116,314

**NOTE H—INCOME TAXES**

The Program is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Program's federal Exempt Organization Business Income Tax Returns (Form 990) for 2011, 2012, and 2013 are subject to examination for both federal and state purposes. The Program believes there is no tax position that would not be sustained under examination.

**NOTE I—ALLOCATION OF JOINT COSTS**

The Program conducted activities that included requests for contributions, as well as Program and management and general components. Those activities included Sisters' services, supplies, telephone and usage, occupancy, and vehicle expenses. The costs of conducting these activities are not specifically attributable to particular components of the activities. See statement of functional expenses for joint costs allocation.

GOOD SHEPHERD SHELTER OF LOS ANGELES  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
December 31, 2013 and 2012

**NOTE J—TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	<u>2013</u>	<u>2012</u>
Earthquake Supplies	\$ 2,250	\$ -
Landscaping on Arlington	-	20,000
	<u>\$ 2,250</u>	<u>\$ 20,000</u>

**NOTE K—NET ASSETS RELEASED FROM DONOR RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors.

Purpose restrictions accomplished:

	<u>2013</u>	<u>2012</u>
Landscape Work	\$ 20,000	\$ 243,993
School	166,330	-
Learning Center	15,000	-
Apartment Renovation	20,000	-
Case Management Program	25,000	-
Disneyland Trip	6,000	6,000
Loan/Mortgage Payments	50,000	-
Building Cost	-	166,262
General Operating Expenses	-	62,500
Learning Center Coordinator	-	10,000
Mental Health Coordinator	-	7,500
Computers	-	5,000
Woodchips	-	3,000
	<u>\$ 302,330</u>	<u>\$ 504,255</u>

**NOTE L—SETTLEMENT**

In 2011, the Shelter brought a civil action against the City of Los Angeles, the Department of Water and Power (DWP), and other municipal agencies to recover improperly assessed sewer service charges and interest dating back to the 1970s. *Good Shepherd Shelter of Los Angeles v. City of Los Angeles, et al.* (U.S. District Court for the Central District of California Case No. CV-11-8159-GHK and Los Angeles County Superior Court Case No. BC488827). In November 2012, the City and the other defendants paid \$75,000 to the Shelter for a full release of all claims.

GOOD SHEPHERD SHELTER OF LOS ANGELES  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
December 31, 2013 and 2012

**NOTE M—PENSION PLAN**

The Program participates in the Christian Brothers Employee Retirement Plan, a multi-employer plan covering all regular full-time employees. Effective October 2010, the Program no longer contributes to the plan, but eligible employees may elect to contribute.

**NOTE N—RELATED PARTY TRANSACTION**

The Program received reimbursements from The Sisters of Good Shepherd Province of Mid-North America, a related party, for the Program's chief executive officer's salary and related costs on a quarterly basis. Total reimbursements were \$105,598 and \$112,977 for the years ended December 31, 2013 and 2012, respectively.

The Program modified their Note Payable to The Sisters of Good Shepherd Province of Mid-North America. See Note E. Under the modified terms, the note is suspended from March 2013 through February 2014. Interest incurred on the note will be a contribution from The Sisters of Good Shepherd Province of Mid-North America. For 2013, the total contribution was \$4,517.

In 2013, The Sisters of Good Shepherd Province of Mid-North America reimbursed the Program for fundraising consulting fees of \$13,780.

As of December 31, 2013 and 2012, the balance due to the Program was \$13,780 and \$0, respectively.

**NOTE O—CONTINGENCY**

The Program was in litigation against a defaulting rental occupant in 2012. As of January 15, 2013, the Program and renter reached a settlement out of court. The Program has forgiven \$9,000 in outstanding rent for the renter's evacuation from the unit.