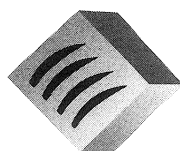


SHEFFIELD PLACE
YEARS ENDED DECEMBER 31, 2020 AND 2019



HOUSE PARK DOBRATZ & WIEBLER, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

SHEFFIELD PLACE

YEARS ENDED DECEMBER 31, 2020 AND 2019

CONTENTS

| | Page |
|--|------|
| Independent auditors' report | 1-2 |
| Financial statements: | |
| Statements of financial position | 3 |
| Statements of activities and changes in net assets | 4-5 |
| Statements of functional expenses | 6-7 |
| Statements of cash flows | 8 |
| Notes to financial statements | 9-15 |



HOUSE PARK DOBRATZ & WIEBLER, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

STANLEY H. HOUSE
MICHAEL A. DOBRATZ
STEVEN V. WIEBLER
WILLIAM S. LACY, JR.

605 WEST 47TH STREET • SUITE 301
KANSAS CITY, MISSOURI 64112
TEL: (816) 931-3393
FAX: (816) 931-9636

Independent Auditors' Report

Board of Directors
Sheffield Place
Kansas City, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Sheffield Place (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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.

Auditors' 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 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.

(continued)

Independent Auditors' Report (continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sheffield Place as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of Sheffield Place as of and for the year ended December 31, 2019, were audited by other auditors whose report dated April 13, 2020, expressed an unmodified opinion on those statements.

House Park Dobratz & Wiebler, P.C.

Kansas City, Missouri
April 26, 2021

SHEFFIELD PLACE

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2020 AND 2019

ASSETS

| | <u>2020</u> | <u>2019</u> |
|---|---------------------|---------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 2,127,075 | \$ 1,470,818 |
| Certificates of deposit | 260,364 | 251,581 |
| Interest receivable | | 3,054 |
| Promises receivable, related party, current (Note 2) | 20,789 | 29,511 |
| Promises receivable, other, current (Note 2) | 37,250 | 694,847 |
| Grants receivable, current (Note 3) | <u>108,713</u> | <u>96,930</u> |
| Total current assets | 2,554,191 | 2,546,741 |
| Promises receivable, related party, noncurrent (Note 2) | 13,300 | 34,089 |
| Promises receivable, other, noncurrent (Note 2) | | 37,250 |
| Grants receivable, noncurrent (Note 3) | 12,199 | |
| Property and equipment (Note 4) | <u>1,176,706</u> | <u>941,772</u> |
| | <u>\$ 3,756,396</u> | <u>\$ 3,559,852</u> |

LIABILITIES AND NET ASSETS

| | | |
|--|---------------------|---------------------|
| Current liabilities: | | |
| Accounts payable | | \$ 11,694 |
| Accrued expenses (Note 5) | \$ 50,474 | 81,554 |
| Clients' accounts | <u>1,816</u> | <u>1,491</u> |
| Total current liabilities | <u>52,290</u> | <u>94,739</u> |
| Commitments and contingency (Notes 9, 10 and 12) | | |
| Net assets: | | |
| Without donor restrictions | 2,248,553 | 1,813,225 |
| With donor restrictions (Note 6) | <u>1,455,553</u> | <u>1,651,888</u> |
| | <u>3,704,106</u> | <u>3,465,113</u> |
| | <u>\$ 3,756,396</u> | <u>\$ 3,559,852</u> |

See notes to financial statements.

SHEFFIELD PLACE

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2020

| | <u>Without donor restrictions</u> | <u>With donor restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|---------------------|
| Revenues: | | | |
| Government grants (Note 7) | \$ 751,811 | | \$ 751,811 |
| Contributions and grants | 518,494 | \$ 225,848 | 744,342 |
| Contributions, Growth Campaign | | 80,461 | 80,461 |
| In-kind contributions | 73,150 | | 73,150 |
| Special events, net of direct expenses of \$57,755 | 227,748 | | 227,748 |
| Occupancy fees | 7,496 | | 7,496 |
| Interest income | 10,677 | | 10,677 |
| Rental income | 37,614 | | 37,614 |
| Other income | 4,413 | | 4,413 |
| Net assets released from restrictions (Note 6) | <u>502,644</u> | <u>(502,644)</u> | <u> </u> |
| | <u>2,134,047</u> | <u>(196,335)</u> | <u>1,937,712</u> |
| Expenses: | | | |
| Program services | 1,475,652 | | 1,475,652 |
| Administrative | 146,898 | | 146,898 |
| Fundraising | <u>76,169</u> | | <u>76,169</u> |
| | 1,698,719 | | 1,698,719 |
| Change in net assets | 435,328 | (196,335) | 238,993 |
| Net assets, beginning of year | <u>1,813,225</u> | <u>1,651,888</u> | <u>3,465,113</u> |
| Net assets, end of year | <u>\$ 2,248,553</u> | <u>\$ 1,455,553</u> | <u>\$ 3,704,106</u> |

See notes to financial statements.

SHEFFIELD PLACE

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2019

| | <u>Without donor restrictions</u> | <u>With donor restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|-----------------------------|
| Revenues, gains and other support: | | | |
| Government grants | \$ 529,349 | | \$ 529,349 |
| Contributions and grants | 339,509 | \$ 348,609 | 688,118 |
| Contributions, Growth Campaign | | 1,493,100 | 1,493,100 |
| In-kind contributions | 145,635 | | 145,635 |
| Special events, net of direct expense of \$193,438 | 186,002 | | 186,002 |
| Occupancy fees | 9,617 | | 9,617 |
| Interest income | 10,226 | | 10,226 |
| Rental income | 42,113 | | 42,113 |
| Net assets released from restrictions (Note 6) | <u>421,335</u> | <u>(421,335)</u> | <u> </u> |
| Total revenues, gains and other support | <u>1,683,786</u> | <u>1,420,374</u> | <u>3,104,160</u> |
| Expenses: | | | |
| Program services | 1,301,865 | | 1,301,865 |
| Administrative | 144,546 | | 144,546 |
| Fundraising | <u>78,286</u> | | <u>78,286</u> |
| Total expenses | <u>1,524,697</u> | | <u>1,524,697</u> |
| Change in net assets | 159,089 | 1,420,374 | 1,579,463 |
| Net assets, beginning of year | <u>1,654,136</u> | <u>231,514</u> | <u>1,885,650</u> |
| Net assets, end of year | <u>\$ 1,813,225</u> | <u>\$ 1,651,888</u> | <u>\$ 3,465,113</u> |

See notes to financial statements.

SHEFFIELD PLACE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2020

| | <u>Program</u> | <u>Administrative</u> | <u>Fundraising</u> | <u>Total</u> |
|------------------------------------|----------------|-----------------------|--------------------|--------------|
| Salaries and wages | \$ 821,872 | \$ 86,028 | \$ 49,593 | \$ 957,493 |
| Payroll taxes | 70,546 | 7,585 | 4,200 | 82,331 |
| Employee benefits (Note 8) | 109,488 | 14,748 | 6,139 | 130,375 |
| Building maintenance | 57,164 | 673 | | 57,837 |
| Client expenses | 23,066 | | | 23,066 |
| Computer information systems | 20,536 | 2,552 | 1,869 | 24,957 |
| Conferences and training | 25,758 | 134 | 425 | 26,317 |
| Depreciation (Note 4) | 117,938 | 1,192 | | 119,130 |
| Direct client assistance, in-kind | 73,150 | | | 73,150 |
| Insurance | 29,209 | 3,420 | 1,702 | 34,331 |
| Other | 7,061 | 5,769 | 1,333 | 14,163 |
| Other, Growth Campaign | | | 638 | 638 |
| Professional fees | 38,956 | 21,983 | 3,854 | 64,793 |
| Professional fees, Growth Campaign | | | 2,700 | 2,700 |
| Supplies | 33,463 | 475 | 1,868 | 35,806 |
| Telephone | 11,335 | 1,744 | 1,834 | 14,913 |
| Travel | (40) | 208 | 14 | 182 |
| Utilities | 36,150 | 387 | | 36,537 |
| | 1,475,652 | 146,898 | 76,169 | 1,698,719 |
| Special event expenses | | | 57,755 | 57,755 |
| | \$ 1,475,652 | \$ 146,898 | \$ 133,924 | \$ 1,756,474 |

See notes to financial statements.

SHEFFIELD PLACE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2019

| | <u>Program</u> | <u>Administrative</u> | <u>Fundraising</u> | <u>Total</u> |
|------------------------------------|---------------------|-----------------------|--------------------|---------------------|
| Salaries and wages | \$ 724,223 | \$ 79,903 | \$ 36,695 | \$ 840,821 |
| Payroll taxes | 60,435 | 6,931 | 3,291 | 70,657 |
| Employee benefits (Note 8) | 85,393 | 14,513 | 4,129 | 104,035 |
| Building maintenance | 53,561 | 1,020 | | 54,581 |
| Client expenses | 23,090 | | | 23,090 |
| Computer information systems | 16,625 | 3,633 | | 20,258 |
| Conferences and training | 30,148 | 2,148 | 1,685 | 33,981 |
| Depreciation (Note 4) | 116,553 | 1,174 | | 117,727 |
| Direct client assistance, in-kind | 44,812 | | | 44,812 |
| Insurance | 26,239 | 2,930 | 1,535 | 30,704 |
| Other | 6,060 | 9,741 | 1,438 | 17,239 |
| Other, Growth Campaign | | | 514 | 514 |
| Professional fees | 12,038 | 19,348 | 1,274 | 32,660 |
| Professional fees, Growth Campaign | | | 25,300 | 25,300 |
| Supplies | 49,699 | 1,488 | 1,041 | 52,228 |
| Telephone | 6,202 | 857 | 1,093 | 8,152 |
| Travel | 2,378 | 424 | 291 | 3,093 |
| Utilities | 44,409 | 436 | | 44,845 |
| | <u>1,301,865</u> | <u>144,546</u> | <u>78,286</u> | <u>1,524,697</u> |
| Special event expenses | | | <u>193,438</u> | <u>193,438</u> |
| | <u>\$ 1,301,865</u> | <u>\$ 144,546</u> | <u>\$ 271,724</u> | <u>\$ 1,718,135</u> |

See notes to financial statements.

SHEFFIELD PLACE

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2020 AND 2019

| | <u>2020</u> | <u>2019</u> |
|---|---------------------|---------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ 238,993 | \$ 1,579,463 |
| Adjustments to reconcile change in net assets to cash provided by operating activities: | | |
| Depreciation | 119,130 | 117,727 |
| Net changes in operating assets and liabilities: | | |
| Interest receivable | 3,054 | (3,054) |
| Promises receivable | 724,358 | (795,697) |
| Grants receivable | (23,982) | 32,012 |
| Accounts payable | (11,694) | 3,575 |
| Accrued expenses | (31,080) | 14,095 |
| Clients' accounts | <u>325</u> | <u>20</u> |
| Net cash provided by operating activities | <u>1,019,104</u> | <u>948,141</u> |
| Cash flows from investing activities: | | |
| Purchase of certificates of deposit | (8,783) | (251,581) |
| Purchase of property and equipment | <u>(354,064)</u> | <u>(93,497)</u> |
| Net cash used by investing activities | <u>(362,847)</u> | <u>(345,078)</u> |
| Increase in cash and cash equivalents | 656,257 | 603,063 |
| Cash and cash equivalents, beginning of year | <u>1,470,818</u> | <u>867,755</u> |
| Cash and cash equivalents, end of year | <u>\$ 2,127,075</u> | <u>\$ 1,470,818</u> |

See notes to financial statements.

SHEFFIELD PLACE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

1. **Organization and summary of significant accounting policies:**

Organization:

Sheffield Place (the Organization) is a Missouri nonprofit organization which operates a transitional housing program in Kansas City, Missouri. The Organization's mission is to empower homeless mothers and their children to heal from their trauma and become self-sufficient. The Organization offers four fully-integrated programs: residential housing services, residential clinical services, aftercare/ outpatient services, and permanent housing services.

Funding for programs and services is provided by government and public support, including foundations and individuals.

Basis of accounting:

All financial transactions have been recorded in and reported by the following net asset groups:

Net assets without donor restrictions represent resources over which the Board of Directors has discretionary control and are used to carry out operations of the Organization in accordance with its bylaws.

Net assets with donor restrictions originate from gifts and grants available for use currently or in the future, but expendable only for purposes specified by the donor or within a donor-designated time period.

The Organization reports gifts of cash, unconditional promises to give, and other assets as donor-restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Donor-restricted contributions whose restrictions are met in the same reporting year are reported as unrestricted support.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers highly liquid investments with an initial maturity of three months or less to be cash equivalents.

SHEFFIELD PLACE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2020 AND 2019

1. Organization and summary of significant accounting policies (continued):

Promises and grants receivable:

Unconditional promises and grants receivable are recorded as revenues in the period written notification of the promise or grant is received. The Organization writes off promises and grants receivable when deemed uncollectible.

Property and equipment and depreciation:

Property and equipment are stated at cost, if purchased, and at fair market value at date of gift, if donated. The Organization capitalizes property and equipment with a cost of \$1,000 or more. Depreciation is provided by the straight-line method over the estimated useful lives of the assets ranging from three to fifteen years.

Expenditures for maintenance and repairs are charged against operations. Renewals and betterments that materially extend the life of the assets are capitalized.

Client accounts:

Residents remit a portion of their monthly income to the Organization as occupancy charges and as savings held on the resident's behalf. Upon departure from Sheffield Place, residents may be reimbursed for their security deposit and savings.

Fair value of financial instruments:

The carrying amount of financial instruments including cash, promises and grants receivable, accounts payable, and accrued expenses approximated fair values as of December 31, 2020 and 2019 due to their short-term nature.

Concentration of risk:

The Organization maintains its cash balances at financial institutions where accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. These balances occasionally exceed federally insured limits. As of December 31, 2020, the Organization had \$12,598 in uninsured balances.

The majority of contributions, grants and program service revenue is from individuals and foundations in the Greater Kansas City area.

For the years ended December 31, 2020 and 2019, Jackson County, Missouri accounted for 26% and 14% of total revenues, respectively, through various grants. For the year ended December 31, 2019, one foundation accounted for 13% of total revenues.

SHEFFIELD PLACE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2020 AND 2019

1. **Organization and summary of significant accounting policies (continued):**

Contributed goods and services:

The Organization receives in-kind donations including supplies and materials used for direct client assistance and auction and other items for their special events. The Organization also receives in-kind services from individuals with specialized skills. For the years ended December 31, 2020 and 2018, donated services included professional construction and legal services.

For the years ended December 31, 2020 and 2019, in-kind donations totaling \$73,150 and \$44,812, respectively, were included in in-kind revenue, special events revenue, and direct client assistance, in-kind expense, and \$30,998 and \$100,823, respectively, were included in special event revenue.

Unpaid volunteers make contributions of their time to the Organization. The value of this contributed time is not reflected in these financial statements since it is not susceptible to objective measurement or valuation.

Functional allocation of expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated based on management's estimate of resources devoted to the program or support service.

Estimates and assumptions:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income tax status:

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization's policy is to provide liabilities for uncertain income tax provisions when a liability is probable and estimable. The Organization has no uncertain tax positions for the years ended December 31, 2020 and 2019 and is not aware of any violation of its tax status as an organization exempt from income taxes. The Organization is not subject to audits for Federal or state purposes for years prior to 2017.

SHEFFIELD PLACE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2020 AND 2019

1. Organization and summary of significant accounting policies (continued):

Reclassification:

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Subsequent events:

Subsequent events are evaluated through April 26, 2021, which is the date the financial statements were available to be issued.

2. Promises receivable:

| | <u>2020</u> | <u>2019</u> |
|-------------------------------------|------------------|-------------------|
| Receivable within one year | \$ 58,039 | \$ 724,358 |
| Receivable within two to five years | <u>13,300</u> | <u>71,339</u> |
| | <u>\$ 71,339</u> | <u>\$ 795,697</u> |

Promises receivable as of December 31, 2020 and 2019 include receivables from related parties, including members of the Board of Directors and employees, of \$34,089 and \$63,600, respectively.

3. Grants receivable:

| | <u>2020</u> | <u>2019</u> |
|-------------------------------------|-------------------|-------------------|
| Receivable within one year | \$ 108,713 | \$ 96,930 |
| Receivable within two to five years | <u>12,199</u> | <u> </u> |
| | <u>\$ 120,912</u> | <u>\$ 96,930</u> |

SHEFFIELD PLACE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2020 AND 2019

4. Property and equipment:

| | <u>2020</u> | <u>2019</u> |
|----------------------------|---------------------|-------------------|
| Furniture and equipment | \$ 352,171 | \$ 339,262 |
| Houses | 676,251 | 694,931 |
| Facility improvements | 1,227,534 | 1,164,668 |
| Accessibility improvements | 403,726 | 403,726 |
| Land | 69,409 | 8,109 |
| Construction in progress | <u>235,667</u> | <u> </u> |
| | 2,964,758 | 2,610,696 |
| Accumulated depreciation | <u>1,788,052</u> | <u>1,668,924</u> |
| | <u>\$ 1,176,706</u> | <u>\$ 941,772</u> |

Depreciation expense was \$119,130 and \$117,727 for the years ended December 31, 2020 and 2019, respectively.

5. Accrued expenses:

| | <u>2020</u> | <u>2019</u> |
|-------------------------------------|------------------|------------------|
| Payroll and payroll tax withholding | \$ 16,583 | \$ 43,498 |
| 401(k) withholding and match | 4,750 | 7,293 |
| Accrued vacation | <u>29,141</u> | <u>30,763</u> |
| | <u>\$ 50,474</u> | <u>\$ 81,554</u> |

6. Net assets with donor restrictions:

Net assets with donor restrictions are earmarked for the following:

| | <u>2020</u> | <u>2019</u> |
|--------------------|---------------------|---------------------|
| Asset acquisitions | \$ 1,202,120 | \$ 1,463,389 |
| Clinical services | 234,510 | 149,379 |
| Fundraising | <u> </u> | 17,494 |
| House | <u>18,923</u> | <u>21,626</u> |
| | <u>\$ 1,455,553</u> | <u>\$ 1,651,888</u> |

SHEFFIELD PLACE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2020 AND 2019

6. Net assets with donor restrictions (continued):

Net assets released from program restrictions are summarized as follows:

| | <u>2020</u> | <u>2019</u> |
|--------------------|-------------------|-------------------|
| Asset acquisitions | \$ 341,730 | \$ 74,579 |
| Clinical services | 140,717 | 329,531 |
| Fundraising | 17,494 | 14,522 |
| House | <u>2,703</u> | <u>2,703</u> |
| | <u>\$ 502,644</u> | <u>\$ 421,335</u> |

7. Government grants:

In April 2020, the Organization received a loan under the government's Paycheck Protection Program in the amount of \$188,000. The loan was obtained through a local bank. These loans are forgivable provided the recipients meet certain requirements. The loan was spent for the intended purposes and was forgiven in accordance with the intent of the program in December 2020. Therefore, the amount of the loan is included in government grants revenue in the year ended December 31, 2020.

8. Retirement plan:

The Organization has a 401(k) retirement plan (the Plan) covering employees with one year of service and who have attained age 21. In accordance with the Plan, the Organization can make a discretionary matching contribution equal to a percentage of the participants' contributions. Retirement plan contributions included in employee benefits expense totaled \$33,741 and \$32,129 for the years ended December 31, 2020 and 2019, respectively.

9. Operating lease:

The Organization has a copier lease with monthly payments of \$134 through March 2023. Rent expense was \$1,612 for the years ended December 31, 2020 and 2019 and is included in supplies expense.

Future minimum annual payments as of December 31, 2020 are as follows:

| <u>Year ending December 31,</u> | <u>Amount</u> |
|-------------------------------------|-----------------|
| 2021 | \$ 1,612 |
| 2022 | 1,612 |
| 2023 | <u>269</u> |
| | <u>\$ 3,493</u> |

SHEFFIELD PLACE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2020 AND 2019

10. Construction contract:

The Organization signed an agreement with a general contracting company for the renovation of their facilities. The total contract sum is not to exceed \$555,568, subject to additions and deductions caused by change orders. As of December 31, 2020, \$35,575 has been paid based on work completed.

11. Liquidity:

The Organization utilizes a 30-day horizon to assess its immediate liquidity needs. The period was established based on management's review of the typical life cycle of converting its financial assets to cash and typical payments of payroll and trade payables.

The following reflects the Organization's financial assets as of December 31, 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions.

| | |
|--|---------------------|
| Cash and cash equivalents | \$ 2,127,075 |
| Certificates of deposit with maturity dates within one year | 260,364 |
| Promises receivable, current | 58,039 |
| Grants receivable, current | 108,713 |
| Accrued expenses | (50,474) |
| Clients' accounts | (1,816) |
| Assets unavailable for general expenditures within one year, restricted by donor with time or purpose restrictions | (1,455,553) |
| Financial assets, December 31, 2020 | <u>\$ 1,046,348</u> |

As part of the Organization's liquidity management plan, the Organization may invest cash in excess of daily cash requirements in short-term low risk investments.

In addition to the financial assets available to meet general expenditures over the next twelve months, the Organization operates within a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

12. COVID-19:

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. As of the date of the independent auditors' report, management cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may impact the financial position, results of operations, and cash flows in 2021.