

SHEFFIELD PLACE
AUDITED FINANCIAL STATEMENTS
Years Ended December 31, 2022 and 2021

SHEFFIELD PLACE

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sheffield Place

Opinion

We have audited the accompanying financial statements of Sheffield Place (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, and the change 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sheffield Place and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Sheffield Place's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Sheffield Place's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sheffield Place's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

UHY LLP

Kansas City, Missouri
March 6, 2023

SHEFFIELD PLACE
STATEMENTS OF FINANCIAL POSITION

	December 31,	
	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,927,565	\$ 1,789,227
Certificates of deposit	262,800	262,002
Investments	444,121	-
Promises receivable, current	34,000	41,200
Grants receivable	126,614	156,841
Total current assets	<u>2,795,100</u>	<u>2,249,270</u>
Promises receivable, noncurrent	-	34,000
Property and equipment	1,871,762	1,889,342
Total assets	<u>\$ 4,666,862</u>	<u>\$ 4,172,612</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 1,989	\$ 7,219
Accrued expenses	76,735	78,354
Total current liabilities	<u>78,724</u>	<u>85,573</u>
NET ASSETS		
Without donor restrictions	3,624,605	3,269,242
With donor restrictions	963,533	817,797
Total net assets	<u>4,588,138</u>	<u>4,087,039</u>
Total liabilities and net assets	<u>\$ 4,666,862</u>	<u>\$ 4,172,612</u>

See notes to financial statements.

SHEFFIELD PLACE
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

	December 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Government grants and contracts	\$ 728,391	\$ 23,180	\$ 751,571
Contributions and grants	575,880	279,312	855,192
Contributions, Growth Campaign	215,963	110,191	326,154
Special events, net of direct expenses of \$105,314	331,766	-	331,766
Occupancy fees	12,134	-	12,134
Rental income	48,668	-	48,668
Investment return	9,197	-	9,197
Net assets released from restrictions	266,947	(266,947)	-
Total revenues and support	<u>2,188,946</u>	<u>145,736</u>	<u>2,334,682</u>
EXPENSES			
Program services	1,568,571	-	1,568,571
Management and general	167,073	-	167,073
Fundraising	97,939	-	97,939
Total expenses	<u>1,833,583</u>	<u>-</u>	<u>1,833,583</u>
CHANGE IN NET ASSETS	355,363	145,736	501,099
NET ASSETS - BEGINNING OF YEAR	<u>3,269,242</u>	<u>817,797</u>	<u>4,087,039</u>
NET ASSETS - END OF YEAR	<u>\$ 3,624,605</u>	<u>\$ 963,533</u>	<u>\$ 4,588,138</u>

See notes to financial statements.

SHEFFIELD PLACE
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

	December 31, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Government grants and contracts	\$ 670,483	\$ -	\$ 670,483
Contributions and grants	621,716	256,531	878,248
Contributions, Growth Campaign	-	226,851	226,851
Special events, net of direct expenses of \$146,570	304,462	-	304,462
Occupancy fees	15,515	-	15,515
Rental income	38,712	-	38,711
Investment return	3,293	-	3,293
Net assets released from restrictions	1,121,138	(1,121,138)	-
Total revenues and support	<u>2,775,319</u>	<u>(637,756)</u>	<u>2,137,563</u>
EXPENSES			
Program services	1,514,884	-	1,514,884
Management and general	158,334	-	158,334
Fundraising	81,412	-	81,412
Total expenses	<u>1,754,630</u>	<u>-</u>	<u>1,754,630</u>
CHANGE IN NET ASSETS	1,020,689	(637,756)	382,933
NET ASSETS - BEGINNING OF YEAR	<u>2,248,553</u>	<u>1,455,553</u>	<u>3,704,106</u>
NET ASSETS - END OF YEAR	<u>\$ 3,269,242</u>	<u>\$ 817,797</u>	<u>\$ 4,087,039</u>

See notes to financial statements.

SHEFFIELD PLACE
STATEMENT OF FUNCTIONAL EXPENSES

December 31, 2022

	Program Services	Management and General	Fundraising	Total Expenses
Salaries and wages	\$ 828,432	\$ 90,836	\$ 57,301	\$ 976,569
Payroll taxes	71,439	7,931	4,975	84,345
Employee benefits	<u>135,374</u>	<u>16,231</u>	<u>8,544</u>	<u>160,149</u>
	1,035,245	114,998	70,820	1,221,063
Building maintenance	74,647	1,445	-	76,092
Client expenses	30,486	-	-	30,486
Computer information systems	21,126	2,601	12,862	36,589
Conferences and training	23,326	116	236	23,678
Depreciation	211,014	2,129	-	213,143
Insurance	36,267	4,267	2,133	42,667
Other	5,962	12,006	1,192	19,160
Professional fees	28,849	26,506	4,823	60,178
Supplies	41,307	1,120	4,510	46,937
Telephone	6,753	1,363	1,363	9,479
Travel	1,190	-	-	1,190
Utilities	<u>52,399</u>	<u>522</u>	<u>-</u>	<u>52,921</u>
TOTAL EXPENSES	<u>\$ 1,568,571</u>	<u>\$ 167,073</u>	<u>\$ 97,939</u>	<u>\$ 1,833,583</u>

See notes to financial statements.

SHEFFIELD PLACE
STATEMENT OF FUNCTIONAL EXPENSES

December 31, 2021

	Program Services	Management and General	Fundraising	Total Expenses
Salaries and wages	\$ 851,106	\$ 91,775	\$ 49,726	\$ 992,607
Payroll taxes	74,645	8,056	4,437	87,138
Employee benefits	118,571	13,756	6,469	138,796
	<u>1,044,322</u>	<u>113,587</u>	<u>60,632</u>	<u>1,218,541</u>
Building maintenance	76,025	610	-	76,635
Client expenses	33,818	-	-	33,818
Computer information systems	20,866	2,580	4,885	28,331
Conferences and training	12,018	104	1,764	13,886
Depreciation	173,536	1,748	-	175,284
Insurance	32,430	3,815	1,908	38,153
Other	4,214	7,189	2,866	14,269
Professional fees	30,289	26,001	4,867	61,157
Supplies	36,950	885	3,084	40,919
Telephone	7,025	1,406	1,406	9,837
Travel	72	-	-	72
Utilities	43,319	409	-	43,728
	<u>43,319</u>	<u>409</u>	<u>-</u>	<u>43,728</u>
TOTAL EXPENSES	<u><u>\$ 1,514,884</u></u>	<u><u>\$ 158,334</u></u>	<u><u>\$ 81,412</u></u>	<u><u>\$ 1,754,630</u></u>

See notes to financial statements.

SHEFFIELD PLACE
STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 501,099	\$ 382,933
Adjustments to reconcile changes in net assets to net cash and cash equivalents provided by operating activities		
Depreciation	213,143	175,284
Net unrealized gain on investments	(2,909)	
Net changes in operating assets and liabilities		
Promises receivable	41,200	(3,861)
Grants receivable	30,227	(35,929)
Accounts payable	(5,230)	7,219
Accrued expenses	(1,619)	26,064
Net cash and cash equivalents provided by operating activities	<u>775,911</u>	<u>551,710</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificates of deposits	(798)	(1,638)
Purchase of investments	(441,212)	-
Purchase of property and equipment	(195,563)	(887,920)
Net cash and cash equivalents used by investing activities	<u>(637,573)</u>	<u>(889,558)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	138,338	(337,848)
CASH AND CASH EQUIVALENTS, Beginning	<u>1,789,227</u>	<u>2,127,075</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 1,927,565</u>	<u>\$ 1,789,227</u>

See notes to financial statements.

SHEFFIELD PLACE
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding the financial statements of Sheffield Place (the Organization). These accounting policies conform to accounting principles generally accepted in the United States of America (U.S. GAAP) and have been consistently applied in the preparation of the financial statements.

Organization

Sheffield Place is a Missouri nonprofit organization which operates a transitional housing program in Kansas City, Missouri.

The Organization's program is to empower homeless mothers and their children to heal from their trauma and become self-sufficient by providing supportive housing and clinical services for mental health and drug and alcohol treatment.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with U.S. GAAP, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors (Board).

Net Assets With Donor Restrictions: Net assets that are subject to donor and grantor-imposed restrictions. The restrictions are temporary in nature to be met by actions of the Organization or by the passage of time.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits held in banks and highly liquid investments with maturities of three months or less.

Fair Value of Financial Instruments

The carrying amount of financial instruments including cash and cash equivalents, certificates of deposit, promises receivable, grants receivable, accounts payable, and accrued expenses approximated fair values as of December 31, 2022 and 2021 due to their short-term nature. The fair value of investments is disclosed in Note 3.

SHEFFIELD PLACE
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and Concentrations of Credit Risk

Financial instruments which potentially subject the Organization to significant concentrations of credit risk consist principally of cash and cash equivalents and investments. The Organization maintains cash and cash equivalents with various major financial institutions where accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization had \$74,426 and \$25,549 in uninsured cash balances as of December 31, 2022 and 2021, respectively. Management has deemed this as a normal business risk.

Investments consist of U.S. Treasuries and exchange traded funds. Investments are stated at fair value as determined by investment custodians. Cost is determined by purchase price or fair value at the time of donation, if donated.

Investments are held in brokerage accounts. The brokerage accounts are insured by the Securities Investor Protection Corporation up to \$500,000. Investment securities, in general, are exposed to various risks such as interest rate, credit, and overall market volatility. Due to these risks, it is at least reasonably possible that changes in values could occur in the near term and those changes could materially affect the amounts reported in the statements of financial position.

A majority of grants and contributions are from government agencies, individuals and charitable entities. The Organization considered donors that account for more than 10% of revenues and support to be major donors. In the years ended December 31, 2022 and 2021, several Jackson County, Missouri government agencies accounted for 29% and 28% of revenues and support, respectively. In the year ended December 31, 2022, the Organization was a recipient of special event revenue from a local service club, which accounted for 13% of revenues and support.

Promises Receivable

Promises receivable consist of unconditional promises-to-give recognized as support at net realizable value in the period the promises are received. The Organization reviews promises receivable periodically and writes off balances when deemed uncollectible. The Organization's management feels that an allowance is not necessary as of December 31, 2022 and 2021.

Property and Equipment

Property and equipment are stated at cost, if purchased, and at fair market value at date of gift, if donated. Expenditures for property and equipment in excess of \$1,000 are capitalized. Depreciation is provided using the straight-line method.

	<u>Years</u>
Houses	15
Facility improvements	5 - 10
Accessibility improvements	7 - 10
Furniture and equipment	5 - 10

Expenditures for repairs and maintenance are charged to expense as incurred. Expenditures that materially extend the life of an asset are capitalized.

SHEFFIELD PLACE
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and Grants

Contributions and grants received by the Organization are nonexchange revenue. The Organization records contributions and grants when received as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Conditional contributions and grants are recognized when the conditions on which they depend are substantially met. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions in the statements of activities and change in net assets. Donor-restricted contributions whose restrictions are met in the same reporting year are reported as unrestricted support.

Revenue Recognition for Contracts with Customers

The Organization's revenue streams under contracts with customers consist of revenues associated with government grants and contracts, occupancy fees and rental income.

Revenue recognition is subject to the completion of performance obligations. For each contract with a customer, the Organization determined whether the performance obligations in the contracts are distinct or should be bundled. Factors to be considered include the pattern of transfer, whether customers can benefit from the resources, and whether the resources are readily available. The Organization's revenue is recognized when a given performance obligation is satisfied, either over a period of time or at a given point in time.

The transaction price is calculated as the amount of consideration to which the Organization expects to be entitled. In some situations, the Organization bills customers and collects cash prior to the satisfaction of the performance obligation, which results in the Organization recognizing deferred revenue upon receipt of payment.

The following describes the performance obligations related to each revenue stream and how they are recognized.

Government grants and contracts: The Organization receives grant and contract revenue from cost-reimbursable county and city grants and contracts, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when expenditures in compliance with specific grant or contract provisions are incurred.

Occupancy fees: The Organization receives occupancy fees for shelter services provided to temporary residents who live in at the Organization's main facilities. Occupancy fees are recognized at a point in time when services are performed.

Rental income: The Organization receives rental income from residents who live in the Organization's permanent housing. Rental income is recognized over time as performance obligations are met as stated in the rental agreements.

SHEFFIELD PLACE
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to program services, management and general, and fundraising activities; however, the Organization's financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by U.S. GAAP.

In-kind contributions are nonfinancial assets and include supplies and materials used for direct client assistance and for special events. U.S. GAAP requires the Organization to report the donated items meeting the criteria for in-kind donations as revenue in the statement of activities at fair market value. The Organization has concluded the in-kind donations received are of nominal value and therefore are not reflected on the statements of activities and change in net assets for the years ended December 31, 2022 and 2021.

Functional Allocation of Expenses

The costs of providing the program service and other activities have been summarized on a functional basis in the statement of activities and change in net assets. 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.

Use of Estimates

The presentation of financial statements requires management to make estimates and assumptions that affect the reported amounts and disclosure. Accordingly, 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, 2022 and 2021 and is not aware of any violation of its tax status as an organization exempt from income taxes. The Organization is subject to examination by taxing authorities for the statutory period.

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

The Organization has performed a review of events subsequent to the statement of financial position date through March 6, 2023, the date the financial statements were available to be issued.

SHEFFIELD PLACE
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 2 — LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available within one year of the statement of financial position date for operating expenditure, such as operating expenses, were as follows:

	December 31,	
	2022	2021
Cash and cash equivalents	\$ 1,927,565	\$ 1,789,227
Certificates of deposit	262,800	262,002
Investments	444,121	-
Promises receivable	34,000	41,200
Grants receivable	<u>126,614</u>	<u>156,841</u>
Total financial assets available within one year	<u>\$ 2,795,100</u>	<u>\$ 2,249,270</u>

The Organization maintains a policy of structuring the assets above to be available as its general expenses, liabilities, and other obligations come due.

NOTE 3 – INVESTMENTS

Investments consist of the following:

	Cost	Fair Value	Excess of Fair Value
December 31, 2022:			
U.S. Treasuries	\$ 393,723	\$ 396,968	
Exchange traded funds	<u>47,489</u>	<u>47,153</u>	
Balance, end of year	<u>\$ 441,212</u>	<u>\$ 444,121</u>	\$ 2,909
Cumulative unrealized gain, beginning of the year			<u>-</u>
Unrealized loss included in the statement of activities and change in net assets			<u>\$ 2,909</u>

Investment return consists of the following:

	Year Ended December 31,	
	2022	2021
Net unrealized gain on investments	\$ 2,909	\$ -
Interest and dividends	<u>6,288</u>	<u>3,293</u>
	<u>\$ 9,197</u>	<u>\$ 3,293</u>

The framework for measuring fair value provides 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) and the lowest priority to unobservable inputs (level 3).

SHEFFIELD PLACE
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 3 – INVESTMENTS (Continued)

Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1). Level 3 inputs are unobservable and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used for investments for which Level 1 inputs were not available. Level 3 inputs would only be used if Level 1 or Level 2 inputs were not available.

Following is a description of the valuation methodologies used for Level 1 assets measured at fair value.

U.S. Treasuries: The fair value of U.S. Treasuries is based on the daily closing price quoted in active markets.

Exchange traded funds: The fair value of mutual funds is based on the daily closing price reported by the fund, which is the quoted net asset value (NAV) of shares.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value:

	Assets at Fair Values as of December 31, 2022			
	Total	Level 1	Level 2	Level 3
Investments reported at fair value:				
U.S. Treasuries	\$ 396,968	\$ 396,968	\$ -	\$ -
Exchange traded funds	<u>47,153</u>	<u>47,153</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 444,121</u>	<u>\$ 444,121</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 4 — PROMISES RECEIVABLE

	December 31,	
	2022	2021
Receivable within one year	\$ 34,000	\$ 41,200
Receivable within two to five years	<u>-</u>	<u>34,000</u>
	<u>\$ 34,000</u>	<u>\$ 75,200</u>

Promises receivable as of December 31, 2022 and 2021 include receivables from related parties, including members of the Board of Directors and employees, of \$0 and \$8,200, respectively.

SHEFFIELD PLACE
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 5 — PROPERTY AND EQUIPMENT

	December 31,	
	<u>2022</u>	<u>2021</u>
Land	\$ 72,075	\$ 72,075
Houses	1,467,407	1,450,165
Facility improvements	1,555,617	1,540,553
Accessibility improvements	403,725	403,726
Furniture and fixtures	407,925	386,159
Construction in progress	<u>141,492</u>	<u>-</u>
	4,048,241	3,852,678
Accumulated depreciation	<u>(2,176,479)</u>	<u>(1,963,336)</u>
	<u>\$ 1,871,762</u>	<u>\$ 1,889,342</u>

Depreciation expense was \$213,143 and \$175,284 for the years ended December 31, 2022 and 2021, respectively.

NOTE 6 — NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes or periods:

	December 31,	
	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purposes/ time:		
Asset acquisitions	\$ 646,672	\$ 536,481
Clinical services	303,317	265,069
Housing	<u>13,544</u>	<u>16,247</u>
	<u>\$ 963,533</u>	<u>\$ 817,797</u>

Net assets released from restrictions by incurring expenses satisfying the restricted purpose or periods consist of the following:

	Years ended December 31,	
	<u>2022</u>	<u>2021</u>
Satisfaction of purpose/ time restrictions:		
Asset acquisitions	\$ -	\$ 892,489
Clinical services	264,244	225,973
Housing	<u>2,703</u>	<u>2,676</u>
	<u>\$ 266,947</u>	<u>\$ 1,121,138</u>

SHEFFIELD PLACE
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 7 — 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 \$29,355 and \$26,740 for the years ended December 31, 2022 and 2021, respectively.

NOTE 8 — COMMITMENTS

The Organization signed an agreement with a general contracting company for the renovation of their program facilities. The balance remaining on the contract at December 31, 2022 was \$15,423.

Work performed but not placed in-service at December 31, 2022 is included in construction in progress. Renovations are expected to be completed in the first quarter of 2023.