

**SHEFFIELD PLACE**  
**AUDITED FINANCIAL STATEMENTS**  
**Years Ended December 31, 2023 and 2022**

# **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, 2023 and 2022, 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, 2023 and 2022, 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.

The logo for UHY LLP is written in a stylized, cursive script. The letters 'UHY' are larger and more prominent, with 'LLP' following in a smaller, similar font.

Kansas City, Missouri  
March 15, 2024

**SHEFFIELD PLACE**  
**STATEMENTS OF FINANCIAL POSITION**

	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,236,207	\$ 1,928,053
Accrued interest receivable	13,835	159
Investments	2,123,194	706,274
Promises receivable, current	397,600	34,000
Grants receivable	57,039	126,614
Total current assets	<u>3,827,875</u>	<u>2,795,100</u>
Promises receivable, noncurrent	163,236	-
Property and equipment	<u>1,729,668</u>	<u>1,871,762</u>
Total assets	<u>\$ 5,720,779</u>	<u>\$ 4,666,862</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ -	\$ 1,989
Accrued expenses	<u>99,740</u>	<u>76,735</u>
Total current liabilities	<u>99,740</u>	<u>78,724</u>
<b>NET ASSETS</b>		
Without donor restrictions	3,852,452	3,624,605
With donor restrictions	<u>1,768,587</u>	<u>963,533</u>
Total net assets	<u>5,621,039</u>	<u>4,588,138</u>
Total liabilities and net assets	<u>\$ 5,720,779</u>	<u>\$ 4,666,862</u>

*See notes to financial statements.*

**SHEFFIELD PLACE**  
**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**

	Year Ended December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND SUPPORT</b>			
Government grants and contracts	\$ 728,076	\$ -	\$ 728,076
Contributions and grants	607,103	258,500	865,603
Contributions, Growth Campaign	28,307	852,374	880,681
Contributed nonfinancial assets	48,461	-	48,461
Special events, net of direct expenses of \$105,314	400,525	-	400,525
Occupancy fees	14,623	-	14,623
Rental income	44,232	-	44,232
Investment return	106,291	-	106,291
Net assets released from restrictions	305,820	(305,820)	-
Total revenues and support	<u>2,283,438</u>	<u>805,054</u>	<u>3,088,492</u>
<b>EXPENSES</b>			
Program services	1,775,596	-	1,775,596
Management and general	174,199	-	174,199
Fundraising	105,796	-	105,796
Total expenses	<u>2,055,591</u>	<u>-</u>	<u>2,055,591</u>
CHANGE IN NET ASSETS	227,847	805,054	1,032,901
NET ASSETS - BEGINNING OF YEAR	<u>3,624,605</u>	<u>963,533</u>	<u>4,588,138</u>
NET ASSETS - END OF YEAR	<u>\$ 3,852,452</u>	<u>\$ 1,768,587</u>	<u>\$ 5,621,039</u>

See notes to financial statements.

**SHEFFIELD PLACE**  
**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**

	<b>Year Ended December 31, 2022</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES AND SUPPORT</b>			
Government grants and contracts	\$ 705,211	\$ 23,180	\$ 728,391
Contributions and grants	599,060	279,312	878,372
Contributions, Growth Campaign	215,963	110,191	326,154
Special events, net of direct expenses of \$146,570	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	<u>266,947</u>	<u>(266,947)</u>	<u>-</u>
Total revenues and support	<u>2,188,946</u>	<u>145,736</u>	<u>2,334,682</u>
<b>EXPENSES</b>			
Program services	1,568,571	-	1,568,571
Management and general	167,073	-	167,073
Fundraising	<u>97,939</u>	<u>-</u>	<u>97,939</u>
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 FUNCTIONAL EXPENSES**

	Year Ended December 31, 2023			
	Program Services	Management and General	Fundraising	Total Expenses
Salaries and wages	\$ 892,428	\$ 94,452	\$ 59,905	\$ 1,046,785
Payroll taxes	76,702	8,170	5,157	90,029
Employee benefits	<u>151,713</u>	<u>17,429</u>	<u>9,437</u>	<u>178,579</u>
	<u>1,120,843</u>	<u>120,051</u>	<u>74,499</u>	<u>1,315,393</u>
Building maintenance	154,001	1,335	-	155,336
Client expenses	39,368	-	-	39,368
Computer information systems	25,225	2,852	9,323	37,400
Conferences and training	24,415	-	2,038	26,453
Depreciation	227,450	2,297	-	229,747
Insurance	43,548	5,099	2,544	51,191
Other	7,852	11,975	967	20,794
Professional fees	30,004	27,750	12,750	70,504
Supplies	27,793	625	1,989	30,407
Telephone	18,200	1,686	1,686	21,572
Travel	748	-	-	748
Utilities	<u>56,149</u>	<u>529</u>	<u>-</u>	<u>56,678</u>
<b>TOTAL EXPENSES</b>	<u><b>\$ 1,775,596</b></u>	<u><b>\$ 174,199</b></u>	<u><b>\$ 105,796</b></u>	<u><b>\$ 2,055,591</b></u>

See notes to financial statements.



**SHEFFIELD PLACE**  
**STATEMENT OF FUNCTIONAL EXPENSES**

	<b>Year Ended December 31, 2022</b>			
	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total Expenses</b>
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>
<b>TOTAL EXPENSES</b>	<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**  
**STATEMENTS OF CASH FLOWS**

	<u>Years Ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	<b>\$ 1,032,901</b>	501,099
Adjustments to reconcile changes in net assets to net cash and cash equivalents provided by operating activities		
Depreciation	<b>229,747</b>	213,143
Net realized gain on investments	<b>(12,951)</b>	
Net unrealized gain on investments	<b>(34,913)</b>	(2,909)
Net changes in operating assets and liabilities		
Accrued interest receivable	<b>(13,676)</b>	(159)
Promises receivable	<b>(526,836)</b>	41,200
Grants receivable	<b>69,575</b>	30,227
Accounts payable	<b>(1,989)</b>	(5,230)
Accrued expenses	<b>23,005</b>	(1,619)
Net cash and cash equivalents provided by operating activities	<b><u>764,863</u></b>	<u>775,752</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	<b>(1,369,056)</b>	(441,363)
Purchase of property and equipment	<b>(87,653)</b>	(195,563)
Net cash and cash equivalents used by investing activities	<b><u>(1,456,709)</u></b>	<u>(636,926)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<b>(691,846)</b>	138,826
CASH AND CASH EQUIVALENTS, Beginning	<b><u>1,928,053</u></b>	<u>1,789,227</u>
CASH AND CASH EQUIVALENTS, Ending	<b><u>\$ 1,236,207</u></b>	<u>\$ 1,928,053</u>

*See notes to financial statements.*

**SHEFFIELD PLACE**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

**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 and are to be met by actions of the Organization or by the passage of time.

**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.

**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.

**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.

**SHEFFIELD PLACE**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fair Value of Financial Instruments**

The carrying amount of financial instruments including cash and cash equivalents, accrued interest receivable, promises receivable, grants receivable, accounts payable, and accrued expenses approximated fair values as of December 31, 2023 and 2022 due to their short-term nature.

**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 \$15,384 and \$74,426 in uninsured cash balances as of December 31, 2023 and 2022, respectively. Management has deemed this as a normal business risk.

Investments consist of U.S. Treasuries, certificates of deposit, exchange traded funds, and fixed income 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. The Organization recognized contributions from three donors which approximated 55% of total revenues and support and two donors which approximated 42% of total revenues and support for the years ended December 31, 2023 and 2022, respectively.

**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 for credit losses is not necessary as of December 31, 2023 and 2022.

**SHEFFIELD PLACE**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**Contribution of Nonfinancial Assets**

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.

Contributed nonfinancial assets include supplies and materials and auction items used for direct client assistance and for special events. U.S. GAAP requires the Organization to report the donated items meeting the criteria for contributed nonfinancial assets as revenue in the statement of activities at fair market value.

**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.

**SHEFFIELD PLACE**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue Recognition for Contracts with Customers (Continued)**

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 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.

**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, 2023 and 2022 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.

**Recently Adopted Accounting Pronouncement**

Effective, January 1, 2023, the Organization adopted accounting standards update ASU 2016-13 Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which replaced the incurred loss methodology with an expected loss methodology. There was no material impact to the financial statements as a result of the adoption of ASU 2016-13.

**SHEFFIELD PLACE**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

**NOTE 1 — 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**

The Organization has performed a review of events subsequent to the statement of financial position date through March 15, 2024, the date the financial statements were available to be issued.

**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,	
	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,236,207	\$ 1,928,053
Accrued interest receivable	13,835	159
Investments	2,123,194	706,274
Promises receivable	397,600	34,000
Grants receivable	<u>57,039</u>	<u>126,614</u>
Total financial assets available within one year	<u>\$ 3,827,875</u>	<u>\$ 2,795,100</u>

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

**SHEFFIELD PLACE**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

**NOTE 3 – INVESTMENTS**

Investments consist of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Excess of Fair Value</u>
December 31, 2023:			
U.S. Treasuries	\$ 774,770	\$ 785,312	
Certificates of deposit	1,015,384	1,015,848	
Exchange traded funds	145,218	172,019	
Fixed income funds	<u>150,000</u>	<u>150,015</u>	
Balance, end of year	<u>\$ 2,085,372</u>	<u>\$ 2,123,194</u>	\$ 37,822
Cumulative unrealized gain, beginning of the year			<u>2,909</u>
Unrealized gain included in the statement of activities and change in net assets			<u>\$ 34,913</u>
	<u>Cost</u>	<u>Fair Value</u>	<u>Excess of Fair Value</u>
December 31, 2022:			
U.S. Treasuries	\$ 393,076	\$ 396,321	
Certificates of deposit	262,800	262,800	
Exchange traded funds	<u>47,489</u>	<u>47,153</u>	
Balance, end of year	<u>\$ 703,365</u>	<u>\$ 706,274</u>	\$ 2,909
Cumulative unrealized gain, beginning of the year			<u>-</u>
Unrealized gain included in the statement of activities and change in net assets			<u>\$ 2,909</u>

Investment return consists of the following:

	<u>Years Ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Net realized gain on investments	\$ 12,951	\$ -
Net unrealized gain on investments	34,913	2,909
Interest and dividends	<u>58,427</u>	<u>6,288</u>
	<u>\$ 106,291</u>	<u>\$ 9,197</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, 2023 and 2022**

**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.

**Equities, Mutual Funds, and Certificates of Deposit**

Domestic and foreign securities, mutual funds, and certificates of deposit traded on a national securities exchange (or reported on the NASDAQ national market) are stated at the last reported sales price on the day of valuation. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy. Investments in mutual funds represent open ended funds which transact at a net asset value on a daily basis. Since the market for these securities is active and observable, such investments are reported at the unadjusted net asset value at the end of each trading day.

**Bonds**

U.S. treasury bonds are valued using proprietary valuation models incorporating live data from active market makers and brokers as reported on electronic communication networks. The valuation models incorporate benchmark yields, reported trades, broker/dealer quotes, bids, offers and other data. Evaluated pricing models that vary by type of security and incorporate available market data are utilized to determine fair market value of agency bonds. Standard inputs include issuer and type of security, benchmark yields, reported trades, broker/dealer quotes and issuer spreads.

The following is a summary of the inputs used in valuing the Organization’s investments carried at fair value:

	Assets at Fair Values as of December 31, 2023			
	Total	Level 1	Level 2	Level 3
Investments reported at fair value:				
U.S. Treasuries	\$ 785,312	\$ -	\$ 785,312	\$ -
Certificates of deposit	1,015,848	1,015,848	-	-
Exchange traded funds	172,019	172,019	-	-
Fixed income funds	150,015	150,015	-	-
Total investments	<u>\$ 2,123,194</u>	<u>\$ 1,337,882</u>	<u>\$ 785,312</u>	<u>\$ -</u>

**SHEFFIELD PLACE**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023 and 2022

**NOTE 3 – INVESTMENTS** (Continued)

	Assets at Fair Values as of December 31, 2022			
	Total	Level 1	Level 2	Level 3
Investments reported at fair value:				
U.S. Treasuries	\$ 396,321	\$ -	\$ 396,321	\$ -
Certificates of deposit	262,800	262,800	-	-
Exchange traded funds	<u>47,153</u>	<u>47,153</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 706,274</u>	<u>\$ 309,953</u>	<u>\$ 396,321</u>	<u>\$ -</u>

**NOTE 4 — PROMISES RECEIVABLE**

	December 31,	
	2023	2022
Receivable within one year	\$ 397,600	\$ 34,000
Receivable within two to five years	<u>163,236</u>	<u>-</u>
	<u>\$ 560,836</u>	<u>\$ 34,000</u>

**NOTE 5 — PROPERTY AND EQUIPMENT**

	December 31,	
	2023	2022
Land	\$ 74,075	\$ 72,075
Houses	1,475,422	1,467,407
Facility improvements	1,734,770	1,555,617
Accessibility improvements	403,725	403,725
Furniture and fixtures	431,105	407,925
Construction in progress	<u>16,798</u>	<u>141,492</u>
	4,135,895	4,048,241
Accumulated depreciation	<u>(2,406,227)</u>	<u>(2,176,479)</u>
	<u>\$ 1,729,668</u>	<u>\$ 1,871,762</u>

Depreciation expense was \$229,747 and \$213,143 for the years ended December 31, 2023 and 2022, respectively.

**SHEFFIELD PLACE**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

**NOTE 6 — NET ASSETS WITH DONOR RESTRICTIONS**

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

	December 31,	
	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purposes/ time:		
Asset acquisitions	\$ 1,499,046	\$ 646,672
Clinical services	258,700	303,317
Housing	<u>10,841</u>	<u>13,544</u>
	<u>\$ 1,768,587</u>	<u>\$ 963,533</u>

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

	Years ended December 31,	
	<u>2023</u>	<u>2022</u>
Satisfaction of purpose/ time restrictions:		
Clinical services	\$ 303,117	\$ 264,244
Housing	<u>2,703</u>	<u>2,703</u>
	<u>\$ 305,820</u>	<u>\$ 266,947</u>

**NOTE 7 — CONTRIBUTED NONFINANCIAL ASSETS**

In addition to receiving cash contributions, the Organization regularly receives contributions of nonfinancial assets in the form of supplies and materials used for direct client assistance and for auction items for special events..

It is the policy of the Organization to record the estimated fair value of contributions of nonfinancial assets as an expense in its financial statements, and similarly increase contribution revenue by a like amount. The following donations are reflected in net fundraising revenue and contributed nonfinancial assets with no associated donor restrictions in the accompanying statements of activities and change in net assets:

	<u>Valuation Techniques and Inputs</u>	Years Ended December 31,	
		<u>2023</u>	<u>2022</u>
Supplies and materials	The Organization estimates the fair value based on current market prices	\$ 48,461	\$ -
Auction items	The Organization estimates the fair value based on current market prices	<u>57,395</u>	<u>-</u>
		<u>\$ 105,856</u>	<u>\$ -</u>

**SHEFFIELD PLACE**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

**NOTE 7 — CONTRIBUTED NONFINANCIAL ASSETS** (Continued)

Contributions of nonfinancial assets and their use in programs and other activities are as follows:

<b>Year Ended</b>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
<b>December 31, 2023</b>				
Supplies and materials	\$ 48,461	\$ -	\$ -	\$ 48,461
Auction items	<u>-</u>	<u>-</u>	<u>57,395</u>	<u>57,395</u>
	<u>\$ 48,461</u>	<u>\$ -</u>	<u>\$ 57,395</u>	<u>\$ 105,856</u>

**NOTE 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 \$27,897 and \$29,355 for the years ended December 31, 2023 and 2022, respectively.

**NOTE 9 — COMMITMENTS**

The Organization entered into a real estate contract to purchase additional property in Kansas City for \$105,000. The Organization made a \$2,000 deposit on the property and the remainder was paid at closing in February, 2024.