



Atlanta Children's Shelter, Inc.

FINANCIAL STATEMENTS

December 31, 2023 and 2022

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REPORT





Carr, Riggs & Ingram, LLC
4004 Summit Boulevard NE
Suite 800
Atlanta, GA 30319

770.394.8000
770.451.2873 (fax)
CRIcpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Atlanta Children's Shelter, Inc.

Opinion

We have audited the accompanying financial statements of Atlanta Children's Shelter, Inc. (a nonprofit organization herein after referred to as the Organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, 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 Atlanta Children's Shelter, Inc. as of December 31, 2023 and 2022, 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.

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 the Organization 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 the Organization'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.

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 Organization'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 the Organization'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 audits.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia

June 7, 2024



FINANCIAL STATEMENTS



Atlanta Children's Shelter, Inc.
Statements of Financial Position

<u>December 31,</u>	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 680,676	\$ 1,322,650
Contributions receivable	161,669	138,301
Prepaid expenses	4,001	18,809
Investments in marketable securities	4,718,947	3,986,975
Operating lease right-of-use assets, net	15,397	-
Property and equipment, net	513,413	570,211
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Total assets	\$ 6,094,103	\$ 6,036,946
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Liabilities and Net Assets		
Accounts payable	\$ 20,664	\$ 17,594
Accrued expenses	30,920	44,299
Operating lease liabilities	15,397	-
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Total liabilities	66,981	61,893
Net assets		
Without donor restrictions	5,815,043	5,752,578
With donor restrictions	212,079	222,475
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Total net assets	6,027,122	5,975,053
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Total liabilities and net assets	\$ 6,094,103	\$ 6,036,946
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The accompanying notes are an integral part of these financial statements.

Atlanta Children's Shelter, Inc.
Statements of Activities

For the year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions and grants	\$ 929,230	\$ 346,700	\$ 1,275,930
Special events	456,432	-	456,432
Contributions of non-financial assets	193,523	-	193,523
Interest income	3,721	-	3,721
Investment income, net	427,660	-	427,660
Loss on disposal of property	(12,423)	-	(12,423)
Other income	501	-	501
Net assets released from restrictions	357,096	(357,096)	-
Total revenue and other support	2,355,740	(10,396)	2,345,344
Expenses			
<i>Program services</i>	1,828,439	-	1,828,439
<i>Supporting services</i>			
Management and general	177,623	-	177,623
Fundraising	287,213	-	287,213
Total supporting services	464,836	-	464,836
Total expenses	2,293,275	-	2,293,275
Change in net assets	62,465	(10,396)	52,069
Net assets at beginning of year	5,752,578	222,475	5,975,053
Net assets at end of year	\$ 5,815,043	\$ 212,079	\$ 6,027,122

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

Atlanta Children's Shelter, Inc.
Statements of Activities (Continued)

For the year ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions and grants	\$ 1,236,458	\$ 427,188	\$ 1,663,646
Special events	541,155	-	541,155
Contributions of non-financial assets	193,848	-	193,848
Interest income	817	-	817
Investment loss, net	(426,931)	-	(426,931)
Net assets released from restrictions	503,572	(503,572)	-
Total revenue and other support	2,048,919	(76,384)	1,972,535
Expenses			
<i>Program services</i>	1,540,809	-	1,540,809
<i>Supporting services</i>			
Management and general	199,849	-	199,849
Fundraising	254,354	-	254,354
Total supporting services	454,203	-	454,203
Total expenses	1,995,012	-	1,995,012
Change in net assets	53,907	(76,384)	(22,477)
Net assets at beginning of year	5,698,671	298,859	5,997,530
Net assets at end of year	\$ 5,752,578	\$ 222,475	\$ 5,975,053

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

Atlanta Children's Shelter, Inc.
Statement of Functional Expenses

For the year ended December 31, 2023

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Personnel Expenses				
Salaries	\$ 606,761	\$ 94,118	\$ 144,059	\$ 844,938
Employee benefits	190,645	21,885	53,797	266,327
Payroll taxes	52,178	7,469	10,220	69,867
Retirement plan	5,455	-	2,330	7,785
Total personnel expenses	855,039	123,472	210,406	1,188,917
Other Expenses				
Contract services	306,426	8,088	5,205	319,719
Direct client services	197,818	-	-	197,818
In-kind rent	167,112	13,293	9,495	189,900
Depreciation	95,310	-	-	95,310
Utilities	48,810	4,380	2,669	55,859
IT services and supplies	40,765	3,683	2,304	46,752
Miscellaneous	28,864	1,710	1,226	31,800
Special events	-	-	30,466	30,466
Dues and fees	9,353	9,874	7,741	26,968
Equipment, maintenance and repairs	18,032	1,513	4,398	23,943
Accounting and legal fees	17,600	1,400	1,000	20,000
Insurance	15,901	3,215	704	19,820
Telecommunications	10,139	806	577	11,522
Training	3,262	530	7,698	11,490
Travel	8,947	493	438	9,878
Board expenses	-	4,913	-	4,913
Office supplies	2,961	-	850	3,811
Printing	189	93	1,929	2,211
Postage	1,911	160	107	2,178
Total other expenses	973,400	54,151	76,807	1,104,358
Total expenses	\$ 1,828,439	\$ 177,623	\$ 287,213	\$ 2,293,275

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

Atlanta Children's Shelter, Inc.
Statement of Functional Expenses (Continued)

For the year ended December 31, 2022

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Personnel Expenses				
Salaries	\$ 539,002	\$ 107,291	\$ 130,299	\$ 776,592
Employee benefits	168,898	36,314	46,590	251,802
Payroll taxes	44,157	9,534	10,157	63,848
Retirement plan	6,997	2,971	1,371	11,339
Total personnel expenses	759,054	156,110	188,417	1,103,581
Other Expenses				
Direct client services	201,522	-	-	201,522
In-kind rent	160,243	12,747	9,105	182,095
Contract services	122,803	507	94	123,404
Depreciation	82,127	-	-	82,127
Utilities	53,876	4,217	3,057	61,150
Equipment, maintenance and repairs	38,207	2,280	9,677	50,164
IT services and supplies	33,612	2,663	2,181	38,456
Dues and fees	17,158	6,276	5,872	29,306
Special events	-	-	22,426	22,426
Insurance	15,563	3,364	811	19,738
Accounting and legal fees	16,720	1,330	950	19,000
Training	6,619	75	7,176	13,870
Miscellaneous	8,080	2,112	1,701	11,893
Travel	8,510	1,012	838	10,360
Telecommunications	9,104	724	517	10,345
Office supplies	2,583	864	1,075	4,522
Board expenses	-	3,820	-	3,820
Food and food supplies	3,207	-	-	3,207
Printing	879	1,646	404	2,929
Postage	942	102	53	1,097
Total other expenses	781,755	43,739	65,937	891,431
Total expenses	\$ 1,540,809	\$ 199,849	\$ 254,354	\$ 1,995,012

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

Atlanta Children's Shelter, Inc.
Statements of Cash Flows

<i>For the years ended December 31,</i>	2023	2022
Operating Activities		
Change in net assets	\$ 52,069	\$ (22,477)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	95,310	82,127
Unrealized and realized (gain) loss on investments	(300,687)	531,380
Amortization of right-of-use assets	5,902	-
Loss on disposal of property	12,423	-
Changes in operating assets and liabilities		
Contributions receivable	(23,368)	(12,125)
Prepaid expenses	14,808	29,377
Accounts payable	3,070	13,003
Accrued expenses	(13,379)	19,015
Operating lease liabilities	(5,902)	-
Net cash provided by (used in) operating activities	(159,754)	640,300
Investing Activities		
Purchase of property and equipment	(50,935)	(181,299)
Purchase of investments	(5,624,813)	(7,534,787)
Proceeds from sale of investments	5,193,528	6,179,000
Net cash provided by (used in) investing activities	(482,220)	(1,537,086)
Net change in cash and cash equivalents	(641,974)	(896,786)
Cash and cash equivalents, at beginning of year	1,322,650	2,219,436
Cash and cash equivalents, at end of year	\$ 680,676	\$ 1,322,650
Schedule of Noncash Transactions		
Lease liabilities arising from right-of-use assets		
Operating leases	\$ 21,299	\$ -

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

Note 1: DESCRIPTION OF THE ORGANIZATION

Atlanta Children's Shelter, Inc. (the Organization) is a not-for-profit corporation organized exclusively for religious, charitable and/or educational purposes under Section 501(c)(3) of the Internal Revenue Code. The Organization provides loving, quality child development and support services for homeless families striving to become self-sufficient. Services are provided free of charge to homeless families with children ages one month to five years of age residing in homeless shelters in metropolitan Atlanta and surrounding areas. The Organization operates from a single leased facility in Atlanta, Georgia.

Program Services

The Organization's program services consist of the following:

Education – The Organization provides high-quality early childhood education for the children of homeless families in metro Atlanta.

Family Services – The Organization provides various services to homeless families to enable them to become self-sufficient. These services include finding both employment and permanent housing, educating and building social relationships.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the allowance for doubtful accounts, the fair value of investments in marketable securities, right-of-use assets and lease liabilities, contributions of non-financial assets and the allocation of expenses between program and supporting services.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions Receivable

Contributions receivable are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional contributions receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional contributions receivable that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the contributions are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, contributions receivable with payments due in future periods are restricted to use after the due date. Unconditional contributions receivable that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed. Unconditional contributions receivable at both December 31, 2023 and 2022 were expected to be collected within one year.

Investments

The Organization reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Property and Equipment

All acquisitions of property and equipment in excess of \$500 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Leases

The Organization leases equipment. The Organization determines if an arrangement is a lease at inception.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Organization uses the risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue Recognition

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the conditions.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Organization recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The contribution element is recognized immediately, unless there is a right of return if the special event does not take place

Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as refundable advances.

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers provided services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to salaries, payroll taxes and employee benefits are allocated based on actual percentages of time spent in each functional area. Expenses related to in-kind rent, IT service and supplies, telecommunications, office supplies and postage are allocated across functional areas based on a square footage basis.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Organization is exempt from taxes on income other than unrelated business income. The Organization had no unrelated business income for the years ended December 31, 2023 and 2022.

The Organization utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when its more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of December 31, 2023 and 2022, the Organization has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Reclassifications

Certain reclassifications were made to prior year balances to conform with current year presentation.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 7, 2024, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which is often referred to as the CECL model, or current expected credit losses. Among other things, the amendments in this ASU require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration.

The Organization adopted ASU 2016-13 on January 1, 2023. The impact of the adoption was not considered material to the financial statements.

Atlanta Children’s Shelter, Inc.
Notes to Financial Statements

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The Organization maintains its financial assets primarily in cash and cash equivalents and investments to provide liquidity to ensure funds are available as the Organization’s expenditures come due. The following reflects the Organization’s financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

<u>December 31,</u>	<u>2023</u>	<u>2022</u>
Total assets at year end	\$ 6,094,103	\$ 6,036,946
Less non-financial assets		
Prepaid expenses	(4,001)	(18,809)
Operating lease right-of-use assets, net	(15,397)	-
Property and equipment, net	(513,413)	(570,211)
Financial assets at year-end	5,561,292	5,447,926
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions		
Restricted by donor with purpose restrictions	(212,079)	(298,859)
Undesignated investments not intended to be liquidated within one year	(4,718,947)	(3,986,975)
Financial assets available to meet cash needs for general expenditures within one year	\$ 630,266	\$ 1,162,092

The Organization is principally supported by contributions. The goal of the Organization is to maintain available financial assets to meet its next 90 days of operating expenses. In the event of unanticipated liquidity needs, the undesignated investments could be made available.

Note 4: INVESTMENTS

Investments in marketable securities consist of the following:

<u>December 31, 2023</u>	<u>Cost</u>	<u>Market Value</u>
U.S. Treasury bills	\$ 1,663,000	\$ 1,653,055
Mutual funds and equity securities	1,305,175	1,755,746
Bonds and other fixed income securities	1,409,315	1,310,146
Total investments in marketable securities	\$ 4,377,490	\$ 4,718,947

Atlanta Children’s Shelter, Inc.
Notes to Financial Statements

Note 4: INVESTMENTS (Continued)

Investments in marketable securities consist of the following:

<i>December 31, 2022</i>	Cost	Market Value
U.S. Treasury bills	\$ 1,271,000	\$ 1,257,849
Mutual funds and equity securities	1,195,772	1,397,791
Bonds and other fixed income securities	1,477,615	1,331,335
Total investments in marketable securities	\$ 3,944,387	\$ 3,986,975

Note 5: PROPERTY AND EQUIPMENT

The components of property and equipment consist of the following at December 31, 2023 and 2022:

	Estimated Useful Lives (years)	2023	2022
Leasehold improvements	7-20	\$ 1,315,035	\$ 1,315,035
Furniture and fixtures	5-7	132,572	168,030
Vehicles	5	55,680	82,703
Software	5	208,874	196,606
Total depreciable property and equipment		1,712,161	1,762,374
Less accumulated depreciation		(1,198,748)	(1,192,163)
Total property and equipment, net		\$ 513,413	\$ 570,211

Depreciation expense for the years ended December 31, 2023 and 2022 amounted to \$95,310 and \$82,127 respectively.

Note 6: LEASES

The Organization has operating leases for equipment. The leases have remaining lease terms of 2 to 4 years.

The components of lease expense consist of the following:

<i>For the years ended December 31,</i>	2023	2022
Operating lease cost	\$ 6,653	\$ -
Short-term lease cost	\$ 59,858	\$ 54,404

Atlanta Children’s Shelter, Inc.
Notes to Financial Statements

Note 6: LEASES (Continued)

Weighted average remaining lease term and discount rates consist of the following:

<i>For the years ended December 31,</i>	2023	2022
Right-of-use assets obtained in exchange for lease obligations		
Operating leases	\$ 21,299	\$ -
Weighted average remaining lease term		
Operating leases	2.58 years	-
Weighted average discount rate		
Operating leases	1.87%	-

Future minimum lease payments under non-cancellable leases as of December 31, 2023, were as follows:

<i>For the years ending December 31,</i>	Operating Leases
2024	\$ 6,931
2025	6,446
2026	1,110
2027	1,110
2028	278
Total future minimum lease payments	15,875
Less imputed interest	(478)
Present value of lease liabilities	\$ 15,397

Note 7: NET ASSETS

A summary of net assets with donor restrictions consists of the following:

<i>December 31,</i>	2023	2022
Purpose restricted		
Childcare expenses	\$ 145,790	\$ 142,003
Social services expenses	6,289	20,472
Salary bonuses	60,000	60,000
Total net assets with donor restrictions	\$ 212,079	\$ 222,475

Atlanta Children's Shelter, Inc.
Notes to Financial Statements

Note 7: NET ASSETS (Continued)

A summary of the release of donor restrictions consists of the following:

<i>December 31,</i>	2023	2022
Purpose restricted		
Childcare expenses	\$ 285,912	\$ 194,982
Capital improvements	-	68,742
Social services expenses	11,184	164,848
Salary bonuses	60,000	60,000
Operations	-	15,000
Total net assets released from donor restrictions	\$ 357,096	\$ 503,572

Note 8: CONTRIBUTIONS OF NON-FINANCIAL ASSETS

All donated space and goods were utilized by the Organization's program and supporting services. There were no donor-imposed restrictions associated with the contributed space or goods.

The components of donated space and goods contributed to the Organization consists of the following for the years ended December 31, 2023 and 2022:

<i>For the year ended December 31, 2023</i>	Donated Space	Donated Goods	Total
Program services			
Rent	\$ 167,112	\$ -	\$ 167,112
Supplies	-	1,058	1,058
Gift Cards	-	2,565	2,565
Supporting Services			
Management and general	13,293	-	13,293
Fundraising	9,495	-	9,495
Total contributed space and goods	\$ 189,900	\$ 3,623	\$ 193,523
<i>For the year ended December 31, 2022</i>	Donated Space	Donated Goods	Total
Program services			
Rent	\$ 160,243	\$ -	\$ 160,243
Supplies	-	6,438	6,438
Gift Cards	-	5,315	5,315
Supporting Services			
Management and general	12,747	-	12,747
Fundraising	9,105	-	9,105
Total contributed space and goods	\$ 182,095	\$ 11,753	\$ 193,848

Note 8: CONTRIBUTIONS OF NON-FINANCIAL ASSETS

Donated space is valued at the fair value of similar properties available in commercial real estate listings. Donated goods are valued at the wholesale prices that would be received for selling similar products.

Note 9: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets'
- Inputs, other than quoted prices, that are:
 - observable; or
 - can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2023 and 2022.

U.S. Treasury Bills: Valued at par with premium or discount amortized over life of the Treasury Bills.

Mutual funds and equity securities: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily Net Asset Value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Corporate bonds and other fixed income securities: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. The bonds and securities are deemed to be actively traded.

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Notes to Financial Statements

Note 9: FAIR VALUE MEASUREMENTS (Continued)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Assets and liabilities measured at fair value on a recurring basis, consists of the following:

<i>December 31, 2023</i>	Level 1	Level 2	Level 3	Total
U.S. Treasury bills	\$ 1,653,055	\$ -	\$ -	\$ 1,653,055
Mutual funds and equity securities	1,755,746	-	-	1,755,746
Bonds and other fixed income securities	1,310,146	-	-	1,310,146
Total investments at fair value	\$ 4,718,947	\$ -	\$ -	\$ 4,718,947
<i>December 31, 2022</i>	Level 1	Level 2	Level 3	Total
U.S. Treasury bills	\$ 1,257,849	\$ -	\$ -	\$ 1,257,849
Mutual funds and equity securities	1,397,791	-	-	1,397,791
Bonds and other fixed income securities	1,331,335	-	-	1,331,335
Total investments at fair value	\$ 3,986,975	\$ -	\$ -	\$ 3,986,975

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets. For the years ended December 31, 2023 and 2022, there were no significant transfers in or out of Levels 1, 2 or 3.

Note 10: CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash deposits with financial institutions at December 31, 2023 and 2022 in excess of federally insured limits of \$22,455 and \$749,394 respectively.

Note 11: DEFINED CONTRIBUTION PLAN

The Organization maintains a tax-deferred annuity plan under Section 403(b) of the Internal Revenue Code (the Plan). Employees become eligible to participate in the Plan on the first day of the month after they are hired. Participants can defer up to 10% of their salary, on which the Organization can elect on an annual basis to match up to 3% for all employees. All full-time employees are eligible to enroll in the Plan. Employees are fully vested and eligible for employer match only after one year of service in which at least 1,000 hours are served. Contributions to the Plan are made by employees through salary deferral. During the years ended December 31, 2023 and 2022, the Organization made matching contributions of \$7,785 and \$11,339, respectively.