



Atlanta Children's Shelter, Inc.

FINANCIAL STATEMENTS

December 31, 2020 with Comparative totals for 2019

	Page
REPORT	
Independent Auditors' Report	1
FINANCIAL STATEMENTS	
Statements of Financial Position.....	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	7
Notes to Financial Statements	8



REPORT





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INDEPENDENT AUDITORS' 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 referred to as, the Organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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, 2020, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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.

Auditors' 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 auditors' 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, including omissions, 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 Foundation'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 Foundation'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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 27, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia

June 22, 2021



FINANCIAL STATEMENTS



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

<i>December 31,</i>	2020	2019
	Total	Comparative Total
Assets		
Current assets		
Cash and cash equivalents and restricted cash	\$ 1,722,148	\$ 1,171,382
Contributions receivable	108,248	103,769
Investments	2,825,697	2,389,714
Prepaid expenses and other assets	18,540	46,099
Total current assets	4,674,633	3,710,964
Noncurrent assets		
Property and equipment, net	501,816	481,794
Total assets	\$ 5,176,449	\$ 4,192,758
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 19,122	\$ 5,443
Accrued expenses	24,654	45,126
Total current liabilities	43,776	50,569
Net assets		
Without donor restrictions	5,020,123	3,845,140
With donor restrictions	210,935	297,049
Total net assets	5,231,058	4,142,189
Total liabilities and net assets	\$ 5,274,834	\$ 4,192,758

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

Atlanta Children's Shelter, Inc.
Statements of Activities

<i>For the years ended December 31,</i>	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Comparative Total
Support and Other Income				
Contributions	\$ 1,268,760	\$ 185,000	\$ 1,453,760	\$ 947,440
Grants	173,250	198,050	371,300	470,500
Special events, net of expenses of \$96,874 and \$39,743, respectively	373,109	-	373,109	408,047
In-kind donations	238,627	-	238,627	183,976
Investment income, net	232,723	-	232,723	309,066
Net assets released from restrictions	469,164	(469,164)	-	-
Total support and other income	2,755,633	(86,114)	2,669,519	2,319,029
Expenses				
Program services	1,356,777	-	1,356,777	1,200,336
Supporting services				
Management and general	203,684	-	203,684	215,612
Fundraising	181,464	-	181,464	115,930
Total expenses	1,741,925	-	1,741,925	1,531,878
Other income				
Government grant - Paycheck Protection Program	161,275	-	161,275	-
Change in net assets	1,174,983	(86,114)	1,088,869	787,151
Net assets, at beginning of year	3,845,140	297,049	4,142,189	3,355,038
Net assets, at end of year	\$ 5,020,123	\$ 210,935	\$ 5,231,058	\$ 4,142,189

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, 2020

	Program Services	Management and General	Fundraising	Total
Personnel Expenses				
Salaries	\$ 521,412	\$ 111,522	\$ 103,172	\$ 736,106
Employee benefits	162,300	30,717	35,885	228,902
Payroll taxes	41,847	9,055	7,036	57,938
Retirement plan	6,544	1,423	1,445	9,412
Total personnel expenses	732,103	152,717	147,538	1,032,358
Other Expenses				
Direct client services	171,405	-	-	171,405
In-kind rent	163,398	12,998	9,284	185,680
Contract services	76,255	-	-	76,255
Depreciation	55,129	-	-	55,129
Equipment, maintenance and repairs	40,110	2,498	7,035	49,643
Utilities	40,578	3,040	2,153	45,771
IT services and supplies	30,940	2,210	1,678	34,828
Insurance	11,777	4,933	471	17,181
Dues and fees	6,949	6,154	3,863	16,966
Accounting and legal fees	-	13,000	-	13,000
Telecommunications	9,953	792	566	11,311
Food and food supplies	6,663	-	-	6,663
Training	385	70	5,477	5,932
Office supplies	3,569	1,046	982	5,597
Miscellaneous	1,975	1,260	900	4,135
Travel	2,725	-	-	2,725
Printing	1,413	640	163	2,216
Board expenses	-	2,130	-	2,130
Postage	1,450	196	104	1,750
Conferences	-	-	1,250	1,250
Total other expenses	624,674	50,967	33,926	709,567
Total expenses	\$ 1,356,777	\$ 203,684	\$ 181,464	\$ 1,741,925

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, 2019

	Program Services	Management and General	Fundraising	Total
Personnel Expenses				
Salaries	\$ 465,464	\$ 123,161	\$ 57,303	\$ 645,928
Employee benefits	137,762	30,516	23,292	191,570
Payroll taxes	36,440	10,118	4,337	50,895
Retirement plan	5,991	1,999	1,678	9,668
Total personnel expenses	645,657	165,794	86,610	898,061
Other Expenses				
Direct client services	166,238	-	-	166,238
In-kind rent	100,965	7,278	5,697	113,940
Contract services	99,162	464	10	99,636
Utilities	41,316	3,236	2,357	46,909
Depreciation	46,774	-	-	46,774
IT services and supplies	32,588	2,727	1,819	37,134
Equipment, maintenance and repairs	15,817	953	5,567	22,337
Insurance	11,891	4,866	437	17,194
Dues and fees	6,213	7,714	2,846	16,773
Telecommunications	12,826	1,021	729	14,576
Accounting and legal fees	-	11,000	-	11,000
Office supplies	3,769	5,575	911	10,255
Miscellaneous	5,696	1,835	1,004	8,535
Training	1,321	32	4,941	6,294
Travel	4,060	4	176	4,240
Conferences	672	-	2,597	3,269
Food and food supplies	2,949	-	-	2,949
Board expenses	-	2,221	-	2,221
Printing	1,148	768	148	2,064
Postage	1,274	124	81	1,479
Total other expenses	554,679	49,818	29,320	633,817
Total expenses	\$ 1,200,336	\$ 215,612	\$ 115,930	\$ 1,531,878

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>	2020	2019
Operating Activities		
Change in net assets	\$ 1,088,869	\$ 787,151
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	55,129	46,774
Loss on disposal of property and equipment	-	1,577
Realized and unrealized losses (gains) on investments	(144,499)	(237,463)
Change in operating assets and liabilities:		
Contributions receivable	(4,479)	(34,024)
Grants receivable	-	28,368
Prepaid expenses and other assets	27,559	(18,755)
Accounts payable	13,679	(33,648)
Accrued expenses	(20,472)	6,550
Net cash provided by (used in) operating activities	1,015,786	546,530
Investing Activities		
Purchases of property and equipment	(75,151)	(87,326)
Purchases of investments	(841,644)	(361,283)
Proceeds from sale of investments	550,160	106,263
Net cash provided by (used in) investing activities	(366,635)	(342,346)
Net change in cash, cash equivalents and restricted cash	649,151	204,184
Cash, cash equivalents and restricted cash, beginning of year	1,171,382	967,198
Cash, cash equivalents and restricted cash, end of year	\$ 1,820,533	\$ 1,171,382
Reconciliation to Statement of Financial Position		
Cash and cash equivalents	\$ 1,511,213	\$ 874,333
Restricted cash	210,935	297,049
Cash, cash equivalents and restricted cash at end of year	\$ 1,722,148	\$ 1,171,382

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

Atlanta Children's Shelter, Inc. Notes to 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.

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 support and 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 and gifts in-kind.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Cash and Cash Equivalents

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

Cash and cash equivalents does not include restricted cash.

Restricted Cash

Amounts included in restricted cash represent funds that are subject to donor-imposed restrictions.

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions Receivable

Contributions receivable are stated at unpaid balances, less an allowance for doubtful receivables. 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. The Organization had no unconditional contributions receivable that were expected to be collected in more than one year at December 31, 2020 or 2019.

The Organization provides for doubtful receivables equal to the estimated collection losses that will be incurred in the collection of all receivables. The estimated losses are based on historical collection experience coupled with a review of the current status of all receivables. Management considers all outstanding accounts receivable to be fully collectible at December 31, 2020 and 2019.

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 Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement 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.

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.

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (continued)

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 restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

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.

The Organization recognizes revenues on grants based upon the date the services are completed.

Donated Assets

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

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to salaries and benefits are allocated based on actual percentages of time spent in each functional area. Expenses related to rent and upkeep of the facility 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, 2020 and 2019.

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, 2020 and 2019, the Organization has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements.

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 22, 2021, 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.

Accounting Guidance Not Yet Adopted

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). This ASU requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the statement of activities and changes in net assets and the statement of cash flows will be substantially unchanged from the existing lease accounting guidance. The ASU is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Organization is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The Organization maintains its financial assets primarily in cash and cash equivalents 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.

<i>December 31,</i>	2020	2019
Total assets at year end	\$ 5,176,449	\$ 4,192,758
Less non-financial assets		
Prepaid expenses and other assets	(18,540)	(46,099)
Property and equipment, net	(501,816)	(481,794)
Total financial assets at year-end	4,656,093	3,664,865
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions		
Restricted by donor with purpose restrictions	(210,935)	(297,049)
Undesignated investments not intended to be liquidated within one year	(2,825,697)	(2,389,714)
Total amounts not available to be used within one year	(3,036,632)	(2,686,763)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,619,461	\$ 978,102

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

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY (Continued)

The Organization is principally supported by its contributions received. The goal of the Organization is to maintain available financial assets to meet its next 90 days of operating expenses.

Note 4: INVESTMENTS

Investments in marketable securities consist of the following:

<i>December 31, 2020</i>	Cost	Market Value
Mutual funds and equity securities	\$ 1,145,343	\$ 1,477,648
Bonds and other fixed income	1,298,636	1,348,049
Total investments in marketable securities	\$ 2,443,979	\$ 2,825,697

<i>December 31, 2019</i>	Cost	Market Value
Mutual funds and equity securities	\$ 1,333,144	\$ 1,548,869
Bonds and other fixed income	842,082	840,845
Total investments in marketable securities	\$ 2,175,226	\$ 2,389,714

Note 5: PROPERTY AND EQUIPMENT

The components of property and equipment at December 31, 2020 and 2019, are as follows:

<i>December 31,</i>	Estimated Useful Lives (years)	2020	2019
Leasehold improvements	7-20	\$ 1,315,035	\$ 1,309,455
Furniture and fixtures	5-7	85,664	65,913
Vehicles	5	27,023	27,023
Software	5	124,310	76,910
		1,552,032	1,479,301
Less accumulated depreciation		(1,050,216)	(997,507)
Property and equipment, net		\$ 501,816	\$ 481,794

Depreciation expense for the years ended December 31, 2020 and 2019 was approximately \$55,000 and \$47,000, respectively.

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

Note 6: NET ASSETS

A summary of net assets with donor restrictions follows:

<i>December 31,</i>	2020	2019
Purpose restricted		
Capital improvement grants	\$ 87,500	\$ -
Childcare expenses	61,807	155,734
Social services expenses	11,628	80,450
Total agency/salary bonus	50,000	60,865
Total net assets with donor restrictions	\$ 210,935	\$ 297,049

A summary of net assets released from restrictions are as follows:

<i>For the years ended December 31,</i>	2020	2019
Satisfaction of purpose restrictions	\$ 469,164	\$ 598,266

Note 7: 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.

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

Note 7: FAIR VALUE MEASUREMENTS (Continued)

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, 2020 and 2019. All have been valued using Level 1 inputs.

Corporate bonds and other fixed income: 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.

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.

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, are summarized for the years ended December 30, 2020 and 2019:

<i>December 31, 2020</i>	Level 1	Level 2	Level 3	Total
Mutual funds and equity securities	\$ 2,108,560	\$ -	\$ -	\$ 2,108,560
Bonds and other fixed income	717,137	-	-	717,137
Total investments at fair value	\$ 2,825,697	\$ -	\$ -	\$ 2,825,697
<i>December 31, 2019</i>	Level 1	Level 2	Level 3	Total
Mutual funds and equity securities	\$ 1,727,135	\$ -	\$ -	\$ 1,727,135
Bonds and other fixed income	662,579	-	-	662,579
Total investments at fair value	\$ 2,389,714	\$ -	\$ -	\$ 2,389,714

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, 2020 and 2019, there were no significant transfers in or out of Levels 1, 2 or 3.

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

Note 8: CONCENTRATIONS OF CREDIT RISK

The Organization has cash deposits with financial institutions which fluctuate from time to time in excess of federally insured limits. Cash and cash equivalents in excess of federally insured limits totaled approximately \$845,000 and \$921,400 at December 31, 2020 and 2019, respectively. If these financial institutions were not to honor their contractual liability, the Organization could incur losses. Management is of the opinion that there is no risk of loss because of the financial strength of the financial institution.

During 2019, support revenue from one contributor amounted to approximately 11% of total support. There were no concentrations during the year-ended December 31, 2020.

Note 9: PAYMENT PROTECTION PROGRAM LOAN

In April 2020, the Organization applied for and received funding in the amount of approximately \$161,000 from the Payroll Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act of 2020 provides loans to qualifying organizations for amounts up to 2.5 times of the average monthly payroll expenses. The Organization used the proceeds for purposes consistent with the PPP and expects all of the loan to be forgiven. Accordingly, the Organization has recognized the PPP loan funds as income in the financial statements.

Note 10: IN KIND DONATIONS

The Organization operates in leased facilities that are under lease until November 13, 2021.

The landlord is providing these facilities without charge. These financial statements have reported an in-kind donation and in-kind rent expense of approximately \$186,000 and \$114,000 for the years ended 2020 and 2019, respectively. As a condition of the lease, the landlord designates three members of the Organization's Board.

Donations of goods are recorded as support at their estimated fair value at the time of donation. Unless specified otherwise by the donor, these donations are reported as unrestricted in the statement of activities. During the year ended December 31, 2020 and 2019, the Organization recognized donations of goods of approximately \$53,000 and \$70,000, respectively.

Note 11: 403(b) TAX SHELTERED ANNUITY

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, 2020 and 2019, the Organization made matching contributions of approximately \$9,000 and \$10,000, respectively.

Note 12: RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Organization. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.