Denver Children's Advocacy Center

Consolidated Financial Report
December 31, 2021

Contents

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Independent Auditor's Report

To the Board of Directors
Denver Children's Advocacy Center

Opinion

We have audited the consolidated financial statements of Denver Children's Advocacy Center (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2021 and 2020 and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020 and the changes in its net assets, functional expenses, and 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 (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Consolidated 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 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements are issued or available to be issued.

Auditor’s Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 audits conducted in accordance with GAAS 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 consolidated financial statements.

To the Board of Directors
Denver Children's Advocacy Center

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits 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 consolidated 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Plante & Moran, PLLC

August 17, 2022

Consolidated Statement of Financial Position

December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash	$ 2,771,747	$ 2,290,715
Investments (Note 4)	615,600	544,605
Grants, contributions, and accounts receivable	303,095	270,708
Prepaid expenses and other assets	51,007	5,547
Total current assets	3,741,449	3,111,575
Property and Equipment - Net (Note 5)	1,728,101	1,815,541
Total assets	**$ 5,469,550**	**$ 4,927,116**
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 68,905	$ 17,996
Accrued expenses	37,773	46,057
Current portion of Paycheck Protection Program loans (Note 12)	40,222	69,808
Deferred revenue	8,500	8,500
Conditional contributions (Note 11)	591,615	629,135
Total current liabilities	747,015	771,496
Paycheck Protection Program Loans - Net of current portion (Note 12)	241,325	191,692
Total liabilities	988,340	963,188
Net Assets (Note 7)		
Without donor restrictions	4,215,651	3,803,983
With donor restrictions	265,559	159,945
Total net assets	4,481,210	3,963,928
Total liabilities and net assets	**$ 5,469,550**	**$ 4,927,116**

Consolidated Statement of Activities and Changes in Net Assets

Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support						
Private grants	$ 873,432	$ 362,686	$ 1,236,118	$ 873,741	$ 215,930	$ 1,089,671
Contributions	161,722	-	161,722	134,579	-	134,579
Government grants and contracts	1,046,266	-	1,046,266	1,005,399	-	1,005,399
Seminar fees	7,550	-	7,550	14,326	-	14,326
Investment income	57,396	-	57,396	19,179	-	19,179
In-kind contributions	92,275	-	92,275	74,278	-	74,278
Special event revenue - Net of expenses of $20,648 (2021) and $11,112 (2020)	60,904	-	60,904	102,936	-	102,936
Net assets released from restrictions	257,072	(257,072)	-	113,370	(113,370)	-
Total revenue and other support	2,556,617	105,614	2,662,231	2,337,808	102,560	2,440,368
Expenses						
Program services	1,927,233	-	1,927,233	1,679,978	-	1,679,978
Support services:						
Management and general	263,596	-	263,596	224,438	-	224,438
Fundraising	215,620	-	215,620	133,469	-	133,469
Total support services	479,216	-	479,216	357,907	-	357,907
Total expenses	2,406,449	-	2,406,449	2,037,885	-	2,037,885
Increase in Net Assets - Before nonoperating income	150,168	105,614	255,782	299,923	102,560	402,483
Nonoperating Income - Cancellation of debt - Paycheck Protection Program loan	261,500	-	261,500	-	-	-
Increase in Net Assets	411,668	105,614	517,282	299,923	102,560	402,483
Net Assets - Beginning of year	3,803,983	159,945	3,963,928	3,504,060	57,385	3,561,445
Net Assets - End of year	**$ 4,215,651**	**$ 265,559**	**$ 4,481,210**	**$ 3,803,983**	**$ 159,945**	**$ 3,963,928**

See notes to consolidated financial statements.

Denver Children's Advocacy Center

Consolidated Statement of Functional Expenses

Year Ended December 31, 2021

	Program Services	Management and General	Fundraising	Total
Payroll and related expenses	$ 1,531,645	$ 171,604	$ 133,656	$ 1,836,905
Depreciation and amortization	89,662	8,465	5,889	104,016
Contract labor	58,368	27,952	7,495	93,815
In-kind professional fees	76,932	1,048	14,295	92,275
Occupancy expenses	45,043	4,249	2,625	51,917
Grant writing and research	-	-	43,125	43,125
Insurance	28,676	2,713	1,874	33,263
Technology	25,513	2,374	3,238	31,125
Supplies	19,072	480	323	19,875
Professional fees	-	19,755	-	19,755
Bad debt expense	75	18,193	-	18,268
Subgrant expense	11,453	-	-	11,453
Miscellaneous	7,895	2,236	710	10,841
Dues and subscriptions	6,407	3,652	448	10,507
Printing and postage	8,802	361	1,215	10,378
Staff training	9,156	-	50	9,206
Travel and entertainment	7,330	384	438	8,152
Advertising	1,204	130	239	1,573
Total functional expenses	**$ 1,927,233**	**$ 263,596**	**$ 215,620**	**$ 2,406,449**

Consolidated Statement of Functional Expenses

Year Ended December 31, 2020

	Program Services	Management and General	Fundraising	Total
Payroll and related expenses	$ 1,296,544	$ 145,579	$ 83,869	$ 1,525,992
Depreciation and amortization	96,750	8,157	4,906	109,813
Contract labor	70,816	3,041	1,972	75,829
In-kind professional fees	74,278	-	-	74,278
Professional fees	5,050	34,950	-	40,000
Grant writing and research	-	-	35,625	35,625
Technology	29,091	2,427	2,133	33,651
Insurance	29,576	2,487	1,479	33,542
Occupancy expenses	27,131	2,047	1,474	30,652
Bad debt expense	-	19,213	-	19,213
Supplies	15,000	387	234	15,621
Printing and postage	11,117	842	701	12,660
Miscellaneous	9,249	1,788	735	11,772
Travel and entertainment	6,853	176	195	7,224
Dues and subscriptions	3,133	3,245	41	6,419
Staff training	5,240	-	-	5,240
Advertising	150	99	105	354
Total functional expenses	**$ 1,679,978**	**$ 224,438**	**$ 133,469**	**$ 2,037,885**

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Increase in net assets	$ 517,282	$ 402,483
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Depreciation and amortization	104,016	109,813
Bad debt expense	18,268	19,213
Unrealized gain on investments	(46,122)	(5,267)
Cancellation of debt - Paycheck Protection Program loan	(261,500)	-
Changes in operating assets and liabilities that (used) provided cash:		
Grants, contributions, and accounts receivable	(50,655)	(2,716)
Prepaid expenses and other assets	(45,460)	(403)
Accounts payable	50,909	1,500
Accrued expenses	(8,284)	8,329
Conditional contributions	(37,520)	285,637
Net cash provided by operating activities	240,934	818,589
Cash Flows from Investing Activities		
Purchase of property and equipment	(16,576)	(23,950)
Interest income reinvested	(12)	(6,758)
Purchase of investments	(376,215)	(380,387)
Sale of investments	351,354	350,568
Net cash used in investing activities	(41,449)	(60,527)
Cash Flows Provided by Financing Activities - Proceeds from Paycheck Protection Program loans	281,547	261,500
Net Increase in Cash	481,032	1,019,562
Cash - Beginning of year	2,290,715	1,271,153
Cash - End of year	**$ 2,771,747**	**$ 2,290,715**

Note 1 - Nature of Business

Denver Children's Advocacy Center (the "Organization") is a not-for-profit organization whose mission is to prevent abuse, strengthen families, and restore childhood. The Organization strives to ensure that every child in the Denver metropolitan area who has been traumatized by sexual abuse or by witnessing homicide or domestic violence receives immediate, compassionate, and effective forensic interviewing; assessment; and, if needed, mental health and medical treatment.

The Organization supports the following programmatic activities:

The Treatment and Integrated Services Program provides assessment and mental health services for children ages 1 to 17 who have been sexually abused or who have experienced other trauma. The Organization strengthens vulnerable families by ensuring their access to a wide range of supportive services.

The Rapid Response Program provides child forensic interviews that are of vital importance to the investigation and prosecution of child sexual assault and other crimes against children. Bilingual victim advocacy services are available to every client at the Organization.

The Community Outreach Program operates with the goal of providing effective tools to prevent abuse. When working with a school through the Denver Safe from the Start prevention program, the Organization educates parents, caregivers, and teachers on healthy sexual development, signs of abuse and neglect, and the resources to respond to abuse. Additional education is also offered in the form of training, workshops, and seminars for professionals, nonoffending family members, and the service community involved with child abuse and neglect.

The Advocacy Center Foundation (ACF), a supporting 501(c)(3) organization, was formed in May 2005 to administer the proceeds from donations of clothing and household articles given on behalf of the Organization. As a supporting organization, ACF is incorporated as a separate legal entity, and the Organization is the sole voting member of ACF. The activities of ACF are required to be consolidated under generally accepted accounting principles (U.S. GAAP). All significant interentity transactions have been eliminated.

ACF was formed to handle the proceeds from the conversion of donated clothing and household articles to cash in order to help support the Organization's exempt purpose. ACF was formerly contracted with a third party for the maintenance duties of donation drop boxes, as well as the pickup and delivery of the donated goods to the contracted purchaser. The contracted purchaser then paid ACF for the goods received, and ACF paid the third party for the maintenance duties.

The Organization was notified that the vendor ACF utilized to support the donation of clothes and household articles was no longer able to provide this service beginning in March 2017. The Organization was unable to identify a replacement vendor, and ACF operations ceased in June 2017. ACF continues to hold two cash accounts.

Note 2 - Significant Accounting Policies

Risks and Uncertainties

In response to the COVID-19 pandemic, many countries have implemented measures to combat the outbreak that have impacted global business operations. During 2020, due to government orders, the Organization moved mental health services from in person to virtual. Community outreach was severely disrupted due to school closures. In 2021, services partially transitioned back to in person.

In response to the impact of COVID-19, the Organization applied for and received Paycheck Protection Program (PPP) loans in the amount of $261,500 in May 2020 and $281,547 in February 2021 (see Note 12). In addition, because of the direct and indirect impacts of the continuing pandemic, the Organization's activities, cash flows, and financial condition could be negatively impacted in the future, but the extent of the impact cannot be reasonably estimated at this time.

Note 2 - Significant Accounting Policies (Continued)

Classification of Net Assets

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Organization.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

Cash Equivalents

Cash includes cash on hand, amounts held in banks, and highly liquid investments. The Organization considers all investments with an original maturity of three months or less when purchased to be cash equivalents. There were no cash equivalents at December 31, 2021 and 2020. At December 31, 2021 and 2020, the Organization had cash in excess of federally insured limits.

Investments

The Organization invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

Short-term investments consist of cash and mutual funds at December 31, 2021 and certificates of deposit and mutual funds at December 31, 2020. Certificates of deposit are interest bearing, held at financial institutions, and carried at cost plus accrued interest.

The Organization accounts for investments in equity securities at fair value, with the change in unrealized gains or losses included in the consolidated statement of activities and changes in net assets.

Grants, Contributions, and Accounts Receivable

Accounts receivable represent amounts due from performance of services to third parties. Grants and contributions receivable consist of amounts due from grantors for performance of services provided to customers, clients, and third parties and unconditional pledges recognized as revenue in the period the pledge is received. Pledges are recorded at the net realizable value if expected to be collected in one year and at fair value based on the present value of the future cash flows if expected to be collected in more than one year. As of December 31, 2021 and 2020, no discount has been recorded, as the amount is insignificant to the consolidated financial statements.

An allowance for doubtful accounts is established based on historical collection experiences and a review of the current status of grants and contributions receivable. The Organization did not record an allowance for doubtful accounts on accounts receivable balances as of December 31, 2021 and 2020.

For the years ended December 31, 2021 and 2020, revenue by two contributors of the Organization accounted for 34 and 31 percent, respectively, of total revenue and support. At December 31, 2021 and 2020, two contributors accounted for 68 and 71 percent, respectively, of total grants and contributions receivable.

Note 2 - Significant Accounting Policies (Continued)

Contributions

Unconditional promises to give cash and other assets to the Organization are reported at fair value on the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value once the condition is satisfied. If cash or other assets are received prior to satisfying the conditions, the conditional contributions are recorded as a liability. Once the conditions are met, contribution revenue is recognized. The gifts are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the year in which the contributions are received are reported as contributions without restrictions in the accompanying financial statements.

Contributions of marketable securities are recorded at fair value as of the date of the gift. It is the Organization's practice to determine appropriate disposition of such gifts of securities at the time of receipt.

Revenue Recognition

The Organization has revenue from contracts with customers, included primarily within the government grants and contracts and seminar fees line items on the consolidated statement of activities and changes in net assets, that is generated through service contracts covering a number of services, including forensic interview services, mental health consultations, and reimbursable therapy sessions. Revenue generated through these services is recognized in the period that the services are provided based on established rates per unit within the contracts and memorandums of understanding.

For the service contracts, the Organization has performance obligations related to providing individual services at a point in time, such as interviews, consultations, and therapy sessions. Revenue is recognized at a point in time when the related service is provided and the performance obligation is met.

Under the typical payment terms, the customer is billed for services provided on a monthly basis based on a defined rate within the contract. In some situations, the customer may pay for services in advance, in which case the payments are recognized as deferred revenue (contract liabilities) until the services are provided. As of December 31, 2021 and 2020, the Organization had deferred revenue of $8,500 related to contracts with customers. As of January 1, 2020, the Organization had deferred revenue of $8,500 related to contracts with customers.

Total accounts receivable related to contracts with customers as of December 31, 2021 and 2020 were $69,837 and $53,714, respectively. Total accounts receivable related to contracts with customers as of January 1, 2020 were $117,338.

Revenue from contracts with customers was $427,666 and $461,159 as of December 31, 2021 and 2020, respectively.

Property and Equipment

Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at fair value. The straight-line method is used for computing depreciation. Assets are depreciated over their estimated useful lives of 5 to 7 years for equipment, 10 years for building improvements, and 30 years for buildings. Costs of maintenance and repairs are charged to expense when incurred.

Income Taxes

The Organization is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code (the "Code") Section 501(c)(3).

Note 2 - Significant Accounting Policies (Continued)

Functional Allocation of Expenses

Costs of providing program and support services have been reported on a functional basis in the consolidated statement of activities and changes in net assets. Costs have been allocated between the various program and support services on an actual basis, where available, or based upon reasonable methods. Certain wages and benefits have been allocated based on time and effort. Occupancy and other expenses have been allocated based on head count. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

Upcoming Accounting Pronouncement

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU provides for additional disclosures to support clearer financial information about important noncash contributions that charities and other not-for-profit organizations receive, known as gifts in kind (GIKs). Contributed nonfinancial assets will be reported by category within the financial statements, and there will be additional disclosures included for each category, including whether the nonfinancial assets were monetized or used during the reporting period, the policy for monetizing nonfinancial contributions, and a description of the fair value techniques used to arrive at a fair value measurement. The new guidance will be effective for the Organization's year ending December 31, 2022 and will be applied using the retrospective method.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including August 17, 2022, which is the date the financial statements were available to be issued.

Note 3 - Liquidity and Availability of Resources

The Organization has $3,690,442 and $3,106,028 of financial assets available within one year of December 31, 2021 and 2020 to meet cash needs for general expenditure consisting of cash of $2,771,747 and $2,290,715, receivables of $303,095 and $270,708, and short-term investments of $615,600 and $544,605, respectively. Of these financial assets, $265,559 and $159,945 is subject to donor restrictions, and cash in the amount of $600,115 and $637,635 is associated with deferred revenue and conditional contributions at December 31, 2021 and 2020, respectively. However, these restrictions and the deferred revenue are largely program based and are projected to be released within one year. Furthermore, the associated expenses with these restrictions are part of the Organization's budgeted general expenditures for the year. Accounts receivable are expected to be collected within three months. The Organization has a board-designated reserve of $118,003 and $106,729 at December 31, 2021 and 2020, respectively, to cover the cost of future facility repairs and maintenance, as mentioned in Note 7.

Note 3 - Liquidity and Availability of Resources (Continued)

The Organization has developed an investment policy and holds short-term, conservative investments in the forms of stocks, mutual funds, and cash. The Organization has structured its investment priorities to allow for great liquidity in order for all current assets to be available as its general expenditures, liabilities, and other obligations become due. The Organization has been fortunate to maintain cash reserves for greater than six months of operating expenses equal to approximately $200,000 per month in 2021 and 2020 and has based its investment decisions on maintaining this position moving forward. Though the Organization has not needed a line of credit for general expenditures, the Organization believes that a line would be available in the future in the unlikely event that one were to be needed. The fact that the Organization owns its three-building campus would be beneficial in this scenario.

Note 4 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Organization has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management’s own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The following tables present information about the Organization’s assets measured at fair value on a recurring basis at December 31, 2021 and 2020 and the valuation techniques used by the Organization to determine those fair values:

	Assets Measured at Fair Value on a Recurring Basis at December 31, 2021			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2021
Assets - Mutual funds	$ 613,917	$ -	$ -	$ 613,917

Cash held within the investment portfolio and included within investments on the accompanying consolidated statement of financial position totaled $1,683 as of December 31, 2021.

Note 4 - Fair Value Measurements (Continued)

	Assets Measured at Fair Value on a Recurring Basis at December 31, 2020			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2020
Assets - Mutual funds	$ 223,942	$ -	$ -	$ 223,942

Cash held within the investment portfolio and included within investments on the accompanying consolidated statement of financial position totaled $320,663 as of December 31, 2020.

Note 5 - Property and Equipment

Property and equipment are summarized as follows:

	2021	2020
Buildings	$ 1,875,123	$ 1,875,123
Building improvements	440,799	440,799
Land	343,066	343,066
Furniture, fixtures, and equipment	327,740	318,214
Software	103,225	96,175
Total cost	3,089,953	3,073,377
Accumulated depreciation and amortization	1,361,852	1,257,836
Net property and equipment	$ 1,728,101	$ 1,815,541

Depreciation and amortization expense for 2021 and 2020 was $104,016 and $109,813, respectively.

Note 6 - Related Party Transactions

The following is a description of transactions between the Organization and related parties:

Individual board of directors members and staff made contributions totaling $11,878 and $34,988 to the Organization for the years ended December 31, 2021 and 2020, respectively.

Note 7 - Net Assets

During 2018, the board designated a working capital reserve of $450,000 and a facility reserve of $82,000 to cover the cost of future facility repairs and maintenance. In 2018, the board approved $321,000 of the reserve to be placed into a certificate of deposit that matured in 2020 and $82,000 to be invested in mutual funds. The board allocated investment income to the facility reserve. Net assets without donor restrictions consist of the following:

	2021	2020
Board-designated net assets:		
Working capital reserve	$ 450,000	$ 450,000
Facility repairs and maintenance	118,003	106,729
Total board-designated net assets	568,003	556,729
Undesignated net assets	3,647,648	3,247,254
Total net assets without donor restrictions	$ 4,215,651	$ 3,803,983

Note 7 - Net Assets (Continued)

Net assets with donor restrictions as of December 31 are available for the following purposes:

	2021	2020
Programs	$ 265,559	$ 159,945

Note 8 - Retirement Plans

The Organization sponsors two defined contribution tax deferred annuity plans (the "Plans"), as outlined in Sections 403(b) and 457(b) of the Code, respectively. Employees are eligible to participate in the 403(b) plan once they have satisfied the age and service requirements. The 457(b) plan is for certain officers of the Organization. The Organization contributed $23,090 and $17,535 to the Plans on behalf of participating employees during the years ended December 31, 2021 and 2020, respectively. The Organization also provides employees the opportunity to contribute additional amounts on a pretax basis to the Plans. The Plans allow employees to defer a discretionary amount of their salaries, not to exceed the limit defined by the Plans.

Note 9 - Operating Leases

The Organization is obligated under a noncancelable operating lease for office equipment, expiring in July 2025. Total rent expense under operating leases was approximately $4,100 and $4,300 for 2021 and 2020, respectively.

Future minimum annual commitments under this lease are approximately as follows:

Years Ending December 31	Amount
2022	$ 4,670
2023	4,190
2024	4,190
2025	2,440
Total	$ 15,490

Note 10 - In-kind Contributions

Donated services are provided to the Organization by individuals possessing skills that would typically be purchased if not provided by donation. These services include counseling, information technology (IT) support, data consulting, advertising (including ad space), website design and development, and landscaping. Donated services are recorded at their fair value in the period received. In-kind donations recognized by the Organization for the years ended December 31, 2021 and 2020 are as follows:

	2021	2020
Professional services	$ 92,275	$ 74,278

The Organization receives volunteer services that are not recordable under generally accepted accounting principles. The value of the volunteer services is not disclosed since no objective basis is available to measure the value of such services.

Note 11 - Conditional Contributions

The Organization receives grant funding from private grantors and government agencies. These grant funds are conditional based on future qualifying expenditures and specific activities occurring. As of December 31, 2021, conditional grant contributions remaining totaled $1,460,118, which is composed of the following:

	Total Conditional Grant Awards	Cumulative Grant Revenue Recognized	Conditional Grant Awards Remaining	Conditional Contributions Received at December 31, 2021
Beacon Fund (administered through Gateway Fund II and the Denver Foundation)	$ 693,247	$ 528,737	$ 164,510	$ 164,510
Caring for Denver Foundation	488,647	106,971	381,676	199,238
Colorado Health Access (CHA) Fund at The Denver Foundation	227,941	179,014	48,927	48,927
VOCA (Colorado Department of Public Safety, Division of Criminal Justice)	1,166,924	540,859	626,065	-
The Colorado Health Foundation	202,500	73,560	128,940	68,940
Telligen Community Initiative	50,000	-	50,000	50,000
Caring for Colorado	60,000	-	60,000	60,000
Total	$ 2,889,259	$ 1,429,141	$ 1,460,118	$ 591,615

As of December 31, 2020, conditional grant contributions remaining totaled $1,258,134, which is composed of the following:

	Total Conditional Grant Awards	Cumulative Grant Revenue Recognized	Conditional Grant Awards Remaining	Conditional Contributions Received at December 31, 2020
Beacon Fund (administered through Gateway Fund II and the Denver Foundation)	$ 693,247	$ 338,738	$ 354,509	$ 239,356
Caring for Denver Foundation	488,647	-	488,647	151,227
Colorado Health Access (CHA) Fund at The Denver Foundation	227,941	104,063	123,878	74,952
Help for Children	10,000	-	10,000	10,000
Metro State University	78,600	-	78,600	78,600
The Colorado Health Foundation	202,500	-	202,500	75,000
Total	$ 1,700,935	$ 442,801	$ 1,258,134	$ 629,135

Note 12 - Paycheck Protection Program Loans

During the year ended December 31, 2020, the Organization received a Paycheck Protection Program (PPP) loan in the amount of $261,500. The PPP loan program was created under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and is administered by the Small Business Administration (SBA). Under the terms of this program, the loan may be fully or partially forgiven if the loan proceeds are spent on qualifying expenses and if staffing level and salary maintenance requirements are met. The Organization may use the funds on qualifying expenses over a covered period of up to 24 weeks. At the conclusion of the covered period, any balance that is not forgiven by the SBA will be repaid over a period of 18 months, with interest accruing at a rate of 1 percent and monthly payments of principal and interest beginning 10 months after the conclusion of the covered period. Based on the loan amount, irrespective of any potential forgiveness that may be granted in the future, monthly principal payments would be approximately $15,000 during the repayment period. Any request for forgiveness is subject to review and approval by the lender and the SBA, including review of qualifying expenditures and staffing and salary levels. Prior to December 31, 2020, the Organization applied for forgiveness, and, in January 2021, the Organization received notification of forgiveness of the entire loan balance from the SBA. Loan forgiveness of $261,500 has been recorded as cancellation of debt income in 2021 in nonoperating income on the consolidated statement of activities and changes in net assets. At December 31, 2020, the outstanding balance of the PPP loan was $261,500, which is classified as debt on the consolidated statement of financial position.

During the year ended December 31, 2021, the Organization received a second PPP loan in the amount of $281,547 with similar terms and conditions as previously described. At the conclusion of the covered period, any balance that is not forgiven by the SBA will be repaid over a period of 45 months, with interest accruing at a rate of 1 percent and monthly payments of principal and interest beginning 10 months after the conclusion of the covered period. Based on the loan amount, irrespective of any potential forgiveness that may be granted in the future, monthly principal payments would be approximately $6,000 during the repayment period. Subsequent to December 31, 2021, the Organization applied for and received notification of forgiveness of the entire loan balance from the SBA. The amount of the loan forgiven will be recorded as cancellation of debt income in 2022. At December 31, 2021, the outstanding balance of the PPP loan is $281,547, which is classified as debt on the consolidated statement of financial position.