

Denver Children's Advocacy Center

Consolidated Financial Statements

December 31, 2025 and 2024

(With Independent Auditor's Report Thereon)



Independent Auditor's Report

**Board of Directors
Denver Children's Advocacy Center**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Denver Children's Advocacy Center (the Organization), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025 and 2024, 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 (GAAP).

Basis of 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 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 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 consolidated financial statements in accordance with GAAP, 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 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 available to be issued.

Auditor's Responsibilities for the Audit of the 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 an audit 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.

**Board of Directors
Denver Children's Advocacy Center**

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 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 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 audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Kundinger, Corder & Montoya, P.C.

May 27, 2026

Denver Children's Advocacy Center
Consolidated Statements of Financial Position
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and cash equivalents	\$ 764,987	882,884
Accounts receivable	96,837	102,567
Grants and contributions receivable (note 3)	240,173	303,255
Investments (note 4)	2,692,207	3,105,880
Prepaid expenses and other assets	35,039	16,790
Property and equipment, net (note 5)	<u>2,553,988</u>	<u>1,665,227</u>
Total assets	<u><u>\$ 6,383,231</u></u>	<u><u>6,076,603</u></u>
Liabilities and Net Assets		
Accounts payable	\$ 51,218	53,484
Accrued expenses	54,194	42,990
Refundable advances	<u>168,382</u>	<u>186,481</u>
Total liabilities	<u>273,794</u>	<u>282,955</u>
Net assets (note 6)		
Without donor restrictions		
Board designated	844,894	734,045
Undesignated	<u>5,138,328</u>	<u>4,944,766</u>
	<u>5,983,222</u>	<u>5,678,811</u>
With donor restrictions	<u>126,215</u>	<u>114,837</u>
Total net assets	6,109,437	5,793,648
Commitment (note 8)		
Total liabilities and net assets	<u><u>\$ 6,383,231</u></u>	<u><u>6,076,603</u></u>

See the accompanying notes to the consolidated financial statements.

Denver Children's Advocacy Center
Consolidated Statement of Activities
Year Ended December 31, 2025

	Without donor restrictions	With donor restrictions	Total
Revenue			
Government grants	\$ 977,111	—	977,111
Grants and contributions	990,993	217,210	1,208,203
Program service revenue	778,873	—	778,873
Donated services (note 7)	88,233	—	88,233
Special events, net of direct costs of \$76,221	235,344	—	235,344
Investment return (note 4)	306,537	—	306,537
Net assets released from restrictions (note 6)	205,832	(205,832)	—
Total revenue, gains and support	<u>3,582,923</u>	<u>11,378</u>	<u>3,594,301</u>
Expenses			
Program services	2,606,190	—	2,606,190
Supporting services			
Management and general	370,333	—	370,333
Fund raising	301,989	—	301,989
Total supporting services	<u>672,322</u>	<u>—</u>	<u>672,322</u>
Total expenses	<u>3,278,512</u>	<u>—</u>	<u>3,278,512</u>
Change in net assets	304,411	11,378	315,789
Net assets at beginning of year	<u>5,678,811</u>	<u>114,837</u>	<u>5,793,648</u>
Net assets at end of year	<u><u>\$ 5,983,222</u></u>	<u><u>126,215</u></u>	<u><u>6,109,437</u></u>

See the accompanying notes to the consolidated financial statements.

Denver Children's Advocacy Center
Consolidated Statement of Activities
Year Ended December 31, 2024

	Without donor restrictions	With donor restrictions	Total
Revenue			
Government grants	\$ 1,098,059	—	1,098,059
Grants and contributions	961,107	171,710	1,132,817
Program service revenue	694,014	—	694,014
Donated services (note 7)	117,243	—	117,243
Special events, net of direct costs of \$60,100	248,087	—	248,087
Investment return (note 4)	230,183	—	230,183
Net assets released from restrictions (note 6)	200,268	(200,268)	—
Total revenue, gains and support	<u>3,548,961</u>	<u>(28,558)</u>	<u>3,520,403</u>
Expenses			
Program services	2,570,361	—	2,570,361
Supporting services			
Management and general	369,163	—	369,163
Fund raising	293,785	—	293,785
Total supporting services	<u>662,948</u>	<u>—</u>	<u>662,948</u>
Total expenses	<u>3,233,309</u>	<u>—</u>	<u>3,233,309</u>
Change in net assets	315,652	(28,558)	287,094
Net assets at beginning of year	<u>5,363,159</u>	<u>143,395</u>	<u>5,506,554</u>
Net assets at end of year	<u><u>\$ 5,678,811</u></u>	<u><u>114,837</u></u>	<u><u>5,793,648</u></u>

See the accompanying notes to the consolidated financial statements.

Denver Children's Advocacy Center
Consolidated Statement of Functional Expenses
Year Ended December 31, 2025

		Total program services	Supporting services		Total
			Management and general	Fund raising	
				Total supporting services	
Payroll and related expenses	\$	2,037,237	212,362	173,786	2,423,385
Subgrant expense		70,000	—	—	70,000
Contract labor		62,581	54,863	9,195	126,639
Depreciation and amortization		83,365	5,921	5,181	94,467
Donated services		87,538	371	324	88,233
Occupancy expenses		42,607	4,688	2,670	49,965
Grant writing and research		—	—	59,535	59,535
Supplies		38,607	1,043	1,689	41,339
Insurance		42,795	2,915	2,662	48,372
Professional fees		27,963	29,500	—	57,463
Development and events		—	—	76,221	76,221
Technology		16,030	980	1,646	18,656
Travel and entertainment		49,746	5,685	4,154	59,585
Credit losses		—	23,166	—	23,166
Printing and postage		11,211	843	3,749	15,803
Staff training		28,011	3,038	317	31,366
Miscellaneous		2,142	22,515	11,821	36,478
Dues and subscriptions		6,357	2,443	6,125	14,925
Advertising		—	—	19,135	19,135
Total functional expenses		2,606,190	370,333	378,210	3,354,733
Less expenses included with revenue in the statement of activities		—	—	(76,221)	(76,221)
Total expenses	\$	2,606,190	370,333	301,989	3,278,512

See the accompanying notes to the consolidated financial statements.

Denver Children's Advocacy Center
Consolidated Statement of Functional Expenses
Year Ended December 31, 2024

		Total program services	Supporting services		Total
			Management and general	Fund raising	
				Total supporting services	
Payroll and related expenses	\$	2,025,370	203,669	169,358	2,398,397
Subgrant expense		60,000	—	—	60,000
Contract labor		74,526	90,647	3,755	168,928
Depreciation and amortization		84,327	5,729	5,119	95,175
Donated services		116,574	357	312	117,243
Occupancy expenses		34,623	2,378	2,082	39,083
Grant writing and research		—	—	59,535	59,535
Supplies		32,525	960	1,024	34,509
Insurance		37,881	2,436	2,297	42,614
Professional fees		9,476	27,740	—	37,216
Development and events		—	—	60,100	60,100
Technology		15,668	1,110	1,373	18,151
Travel and entertainment		38,627	4,238	2,210	45,075
Credit losses		—	19,152	—	19,152
Printing and postage		10,250	681	1,107	12,038
Staff training		13,343	—	119	13,462
Miscellaneous		10,396	7,549	10,104	28,049
Dues and subscriptions		6,775	2,517	6,213	15,505
Advertising		—	—	29,177	29,177
Total functional expenses		2,570,361	369,163	353,885	3,293,409
Less expenses included with revenue in the statement of activities		—	—	(60,100)	(60,100)
Total expenses	\$	2,570,361	369,163	293,785	3,233,309

See the accompanying notes to the consolidated financial statements.

Denver Children's Advocacy Center

Consolidated Statements of Cash Flows Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Change in net assets	\$ 315,789	287,094
Adjustments to reconcile change in net assets to cash provided by operating activities		
Depreciation	94,467	95,175
Credit losses	23,166	19,152
Unrealized gains on investments	(193,679)	(92,474)
Changes in operating assets and liabilities		
Accounts receivable	(17,436)	(19,393)
Grants and contributions receivable	63,082	(44,028)
Prepaid expense and other assets	(18,249)	(5,364)
Accounts payable	(2,266)	38,794
Accrued expenses	11,204	(8,047)
Refundable advances	(18,099)	(99,770)
Net cash provided by operating activities	<u>257,979</u>	<u>171,139</u>
Cash flows from investing activities		
Net purchases of property and equipment	(983,228)	(189,286)
Net sales (purchases) of investments	<u>607,352</u>	<u>(1,108,598)</u>
Net cash used in investing activities	<u>(375,876)</u>	<u>(1,297,884)</u>
Net decrease in cash and cash equivalents	(117,897)	(1,126,745)
Cash and cash equivalents at beginning of year	<u>882,884</u>	<u>2,009,629</u>
Cash and cash equivalents at end of year	<u><u>\$ 764,987</u></u>	<u><u>882,884</u></u>

See the accompanying notes to the consolidated financial statements.

Denver Children's Advocacy Center
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

(1) Summary of Significant Accounting Policies

(a) Organization

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 developments, 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 (GAAP). All intercompany transactions have been eliminated in consolidation.

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 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 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.

Denver Children's Advocacy Center
Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(b) Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

(c) Financial Statement Presentation

The Organization is required to present information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

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, whereby the donor has stipulated the funds be maintained in perpetuity. At December 31, 2025 and 2024, there are no net assets with perpetual donor restrictions.

(d) Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Organization considers all highly liquid instruments with original maturities of three months or less, and which are not held as a part of the investment portfolio, to be cash equivalents.

(e) Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents, investments and receivables. The Organization places its cash and cash equivalents with creditworthy, high quality, financial institutions. At times, a portion of these cash balances may not be insured by the Federal Deposit Insurance Corporation or related entity. Investments are made and monitored by management of the Organization pursuant to an investment policy adopted by the Organization. Though the market value of investments is subject to fluctuations on a year-to-year basis, management believes that the investment policy is prudent for the long-term welfare of the Organization. Credit risk with respect to receivables is generally diversified due to the large number of entities and creditworthiness of the organizations from whom amounts are due.

(f) Property and Equipment

Property and equipment is recorded at cost. The organization capitalizes all expenditures for property and equipment in excess of \$1,000 with a useful life of more than one year. Depreciation is computed using the straight-line method over estimated useful lives of the assets ranging from five to thirty years.

Denver Children's Advocacy Center
Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(g) Investments

Investments are recorded at cost if purchased, or at fair value, if donated. Thereafter investments are reported at their fair values in the consolidated statements of financial position and changes in fair value are reported as investment return in the consolidated statements of activities. Fair value is determined as more fully described below. The Organization's management is responsible for the fair value measurement of investments reported in the consolidated financial statements and believes the reported values are reasonable. Investment return consists of the Organization's distributive share of any interest, dividends, and capital gains and losses generated from sales of investments. Gains and losses attributable to investments are realized and reported upon a sale or disposition of the investment. Unrealized gains and losses are included in the change in net assets in the consolidated statements of activities.

(h) Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy that prioritizes investments based on the assumptions market participants would use when pricing an asset. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs).

Assets are grouped at fair value in three levels based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 Inputs other than quoted market prices that are observable for the asset/liability, either directly or indirectly.

Level 3 Unobservable inputs that cannot be corroborated by observable market data.

(i) Revenue Recognition

Government grants and grants and contributions

Grants and contributions are recognized when cash or unconditional promises to give are received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend are substantially met. Should the Organization substantially meet all the conditions in the same period that the contribution was recognized, and barring any further donor-imposed restrictions, the Organization has elected to recognize the revenue in net assets without donor restrictions. Payments received in advance of conditions being met are recorded as refundable advances in the consolidated statements of financial position.

Denver Children's Advocacy Center
Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(i) Revenue Recognition, Continued

Government grants and grants and contributions, Continued

Conditional grants and contributions from foundations and other organizations, totaling \$587,146, have not been recognized at December 31, 2025 as the conditions have not been met. Refundable advances related to these grants totaled \$168,382 and \$186,481 at December 31, 2025 and 2024, respectively.

Federal, state, and local government grants are treated as contributions that are conditioned upon specific performance requirements and the incurrence of allowable qualifying expenses. At December 31, 2025, conditional government contributions total \$247,172.

Grants and contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets with donor restrictions, depending on the nature of the restrictions. When a 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 statements of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same year in which the contribution is received are reported as contributions without donor restrictions in the accompanying consolidated financial statements.

Grants and contributions receivable are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. At December 31, 2025 all grants and contributions receivable are expected to be collected within one year. The Organization uses the allowance method to determine uncollectable amounts. In determining the collectability of receivables, management considers past collection experience and performs an analysis of subsequent collections. Accounts deemed uncollectable are charged to the allowance in the year they are deemed uncollectable. At December 31, 2025, management considers all grants and contributions receivable to be collectible; and, therefore, no allowance has been recognized.

Program service revenue

Program service revenue consists of fee for service contracts and miscellaneous income for training programs. Program service revenue is generated through service contracts covering a number of services, including forensic interviews, 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. 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. Fees are billed for services provided on a monthly basis. Payments received in advance of services provided are recognized as deferred revenue. Total accounts receivable related to contracts with customers as of December 31, 2025 and 2024 were \$96,837 and \$102,567, respectively. The Organization uses the allowance for credit losses method to determine uncollectible amounts. In determining the collectability of receivables, management considers contract terms, past collection experience, and performs an analysis of current conditions, subsequent collections, and reasonable and supportable forecasts about collectability. Accounts deemed uncollectible are charged to the allowance in the year they are deemed uncollectible.

Denver Children's Advocacy Center
Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(i) Revenue Recognition, Continued

Program service revenue, Continued

At December 31, 2025 and 2024, respectively, management has determined that no allowance for credit losses related to these receivables is necessary. All accounts receivable are expected to be collected within one year.

Special events

Special events is comprised of revenue from an exchange transaction equal to the cost of direct benefits to donors, and contribution revenue for amounts received in excess of direct costs. Contribution revenue is recognized following revenue recognition policies discussed above. Exchange transaction revenue is recognized the day the event takes place. For the years ended December 31, 2025 and 2024, special events revenue is shown net of the costs of direct benefits to donors totaling \$76,221 and \$60,100, respectively.

Donated Goods and Services

Donated goods are recorded at fair value at the date of the donation. Contributed 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. In addition, a number of volunteers have donated time in connection with the Organization's activities. No amounts have been reflected in the accompanying consolidated financial statements because the services do not meet the recognition criteria under generally accepted accounting standards.

(j) Advertising

The Organization expenses advertising costs, including donated advertising, as incurred. Total advertising costs for the years ended December 31, 2025 and 2024 was \$19,135 and \$29,177, respectively.

(k) Functional Allocation of Expenses

The costs of providing various programs and other supporting activities have been summarized on a functional basis in the accompanying consolidated statements of functional expenses. The Organization incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Organization also conducts a number of activities that benefit both its program objective as well as supporting services (i.e. fund raising and management and general activities). Directly identifiable expenses are charged to program or supporting services when the expense is incurred. Salaries and benefits that relate to more than one functional category are allocated based on each employee's estimate of time spent on program services, management and general, and fund raising. Other indirect expenses, such as insurance, utilities, occupancy, technology, office expenses, and depreciation, are allocated based on employee headcount of each department. The allocation methodologies are applied consistently from year to year.

Denver Children's Advocacy Center
Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(1) Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure on contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(m) Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and qualifies for the charitable contribution deduction. However, income from activities not directly related to its tax-exempt purpose is subject to taxation as unrelated business income. There were no unrelated business activities during the years ended December 31, 2025 and 2024.

Management is required to evaluate tax positions taken by the Organization and recognize a liability (or asset) if a tax position is more likely than not to be sustained upon examination by the applicable taxing authority, based solely on the technical merits of the position. The Organization has analyzed the tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements and determined there are none. The three previous tax years remain subject to examination by the IRS.

(n) Subsequent Events

The Organization has evaluated subsequent events through May 27, 2026, the date the consolidated financial statements were available to be issued.

(2) Liquidity and Availability of Financial Assets

The following table reflects the Organization's financial assets that are available for general expenditure within one year as of December 31:

	<u>2025</u>	<u>2024</u>
Financial assets at year-end		
Cash and cash equivalents	\$ 764,987	882,884
Accounts receivable	96,837	102,567
Grants and contracts receivable	240,173	303,255
Investments	<u>2,692,207</u>	<u>3,105,880</u>
Total financial assets	3,794,204	4,394,586
Less board designated funds	<u>(844,894)</u>	<u>(734,045)</u>
Financial assets available for general expenditures within one year	\$ <u>2,949,310</u>	<u>3,660,541</u>

The Organization has developed an investment policy and holds short-term, conservative investments in the form of stocks, mutual funds, and cash. The Organization has structured its investment priorities to allow for a high level of liquidity. The Organization invests its financial assets in a manner consistent with the concept of prudent money management, seeking returns within reasonable levels of risk.

Denver Children's Advocacy Center
Notes to Consolidated Financial Statements, Continued

(2) Liquidity and Availability of Financial Assets, Continued

The Organization's board of directors has designated a portion of net assets without donor restrictions for specific purposes (see note 6). Although the Organization does not intend to spend from the board-designated funds, the funds could be made available for current operations, with board approval, if needed. The Organization considers donor restricted contributions for on-going programs to be available for expenditure, provided they are available for expenditure within the next twelve months.

(3) Contributions Receivable

Contributions receivable at December 31, 2025 total \$240,173 and are expected to be collected in 2026.

(4) Investments

Investments consist of the following at December 31:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 7,743	19,762
U.S. Treasury securities	881,634	1,234,224
Exchange traded funds	<u>1,802,830</u>	<u>1,851,894</u>
Total investments	\$ <u>2,692,207</u>	<u>3,105,880</u>

The following table summarizes the valuation of investments by the fair value hierarchy levels as of December 31, 2025:

<u>Description</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents	\$ 7,743	7,743	—	—
U.S. Treasury securities	881,634	—	881,634	—
Exchange traded funds	<u>1,802,830</u>	<u>1,802,830</u>	<u>—</u>	<u>—</u>
	\$ <u>2,692,207</u>	<u>1,810,573</u>	<u>881,634</u>	<u>—</u>

The following table summarizes the valuation of investments by the fair value hierarchy levels as of December 31, 2024:

<u>Description</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents	\$ 19,762	19,762	—	—
U.S. Treasury securities	1,234,224	—	1,234,224	—
Exchange traded funds	<u>1,851,894</u>	<u>1,851,894</u>	<u>—</u>	<u>—</u>
	\$ <u>3,105,880</u>	<u>1,871,656</u>	<u>1,234,224</u>	<u>—</u>

Investment return consists of the following for the year ended December 31:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 112,858	137,709
Unrealized gains on investments	<u>193,679</u>	<u>92,474</u>
Total investment return	\$ <u>306,537</u>	<u>230,183</u>

Denver Children's Advocacy Center
Notes to Consolidated Financial Statements, Continued

(4) Investments, Continued

Level 1 assets have been valued using a market approach. Level 2 assets are calculated using models or other valuation methodologies. There have been no changes in the valuation technique during the current year.

(5) Property and Equipment

Property and equipment consisted of the following at December 31:

	<u>2025</u>	<u>2024</u>
Land	\$ 1,094,024	358,066
Buildings	2,074,424	1,875,123
Building improvements	440,799	440,799
Furniture, fixtures, and equipment	382,743	369,288
Software	<u>110,275</u>	<u>110,275</u>
	4,102,265	3,153,551
Less accumulated depreciation and amortization	<u>(1,739,757)</u>	<u>(1,645,289)</u>
	2,362,508	1,508,262
Construction in progress	<u>191,480</u>	<u>156,965</u>
Total property and equipment, net	\$ <u>2,553,988</u>	<u>1,665,227</u>

(6) Net Assets

Board Designated Net Assets

Board designated funds consist of a working capital reserve and a facility reserve to cover the cost of future facility repairs and maintenance.

Board designated net assets consist of the following at December 31:

	<u>2025</u>	<u>2024</u>
Working capital reserve	\$ 450,000	450,000
Facility reserve	<u>394,894</u>	<u>284,045</u>
Total board designated funds	\$ <u>844,894</u>	<u>734,045</u>

Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following at December 31:

	<u>2025</u>	<u>2024</u>
Net assets restricted for specific purpose:		
Community Outreach	\$ 60,047	32,639
Rapid Response	26,082	22,070
Treatment	<u>40,086</u>	<u>60,128</u>
Total net assets with donor restrictions	\$ <u>126,215</u>	<u>114,837</u>

Denver Children's Advocacy Center
Notes to Consolidated Financial Statements, Continued

(6) Net Assets, Continued

Net assets released from restrictions consisted of the following for the year ended December 31:

	<u>2025</u>	<u>2024</u>
Community Outreach	\$ 64,202	55,867
Rapid Response	64,286	39,884
Treatment	<u>77,344</u>	<u>104,517</u>
Total net assets released from restrictions	\$ <u>205,832</u>	<u>200,268</u>

(7) Donated Services

The Organization received the following donated services during the years ended December 31:

	<u>2025</u>	<u>2024</u>
Program interns	\$ 82,233	82,289
Other professional services	<u>6,000</u>	<u>34,954</u>
Total donated services	\$ <u>88,233</u>	<u>117,243</u>

The Organization receives in-kind contributions of time and pro bono services from Master's degree interns who provide mental health treatment services. Additionally, the Organization receives contributions of time and pro bono services from Bachelor's degree interns who provide victim advocacy and child abuse prevention services. The Organization reports that value of these services using current rates for similar professional services. The Organization recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of donation. A majority of the donated services were utilized by the Organization's program services.

The Organization receives donated advertising, marketing, and other professional services that would typically be purchased if not provided as an in-kind contribution. These services, which require specialized skills, are recognized as in-kind contributions at fair value when the pledge is made and are expensed when the services are rendered. The estimated fair value of these professional services is provided by the service provider, who estimates fair value based on the date, time, and market in which each service is rendered.

Unless otherwise noted, there were no donor-imposed restrictions associated with these donated goods and services. The Organization does not sell donated gifts in-kind and only uses services for its own program or supporting service activities.

(8) Retirement Plan

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. For the years ended December 31, 2025 and 2024, the Organization contributed \$42,453 and \$40,907, respectively, to the Plans on behalf of participating employees. 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.