Denver Children's Advocacy Center

Consolidated Financial Report

December 31, 2019

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Independent Auditor's Report

To the Board of Directors
Denver Children's Advocacy Center

We have audited the accompanying consolidated financial statements of Denver Children's Advocacy Center (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2019 and 2018 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.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Denver Children's Advocacy Center as of December 31, 2019 and 2018 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.

Plante & Moran, PLLC

May 20, 2020

Consolidated Statement of Financial Position

December 31, 2019 and 2018

	2019	2018
Assets		
Current Assets		
Cash	$ 1,271,153	$ 963,146
Investments (Note 5)	502,761	464,586
Grants, contributions, and accounts receivable	287,205	212,182
Prepaid expenses	5,144	5,874
Total current assets	2,066,263	1,645,788
Property and Equipment - Net (Note 6)	1,901,404	1,988,858
Total assets	**$ 3,967,667**	**$ 3,634,646**
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 16,496	$ 17,399
Accrued expenses	37,728	32,445
Deferred revenue	8,500	6,000
Conditional contributions	343,498	209,089
Total liabilities	406,222	264,933
Net Assets (Note 8)		
Without donor restrictions	3,504,060	3,252,090
With donor restrictions	57,385	117,623
Total net assets	3,561,445	3,369,713
Total liabilities and net assets	**$ 3,967,667**	**$ 3,634,646**

Consolidated Statement of Activities and Changes in Net Assets

Years Ended December 31, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support						
Private grants	$ 674,474	$ 137,340	$ 811,814	$ 472,506	$ 144,807	$ 617,313
Contributions	122,502	-	122,502	125,466	-	125,466
Government grants and contracts	929,987	-	929,987	874,831	-	874,831
Seminar fees	37,688	-	37,688	16,377	-	16,377
Investment income	25,132	-	25,132	4,892	-	4,892
In-kind contributions	104,230	-	104,230	53,062	-	53,062
Special event revenue - Net of expenses of $24,815 (2019) and $21,873 (2018)	193,330	-	193,330	165,886	-	165,886
Net assets released from restrictions	197,578	(197,578)	-	190,282	(190,282)	-
Total revenue and other support	2,284,921	(60,238)	2,224,683	1,903,302	(45,475)	1,857,827
Expenses						
Program services	1,673,759	-	1,673,759	1,486,038	-	1,486,038
Support services:						
Management and general	204,965	-	204,965	202,754	-	202,754
Fundraising	154,227	-	154,227	153,630	-	153,630
Total support services	359,192	-	359,192	356,384	-	356,384
Total expenses	2,032,951	-	2,032,951	1,842,422	-	1,842,422
Increase (Decrease) in Net Assets	251,970	(60,238)	191,732	60,880	(45,475)	15,405
Net Assets - Beginning of year	3,252,090	117,623	3,369,713	3,191,210	163,098	3,354,308
Net Assets - End of year	**$ 3,504,060**	**$ 57,385**	**$ 3,561,445**	**$ 3,252,090**	**$ 117,623**	**$ 3,369,713**

Consolidated Statement of Functional Expenses

Year Ended December 31, 2019

	Program Services	Management and General	Fundraising	Total
Payroll and related expenses	$ 1,245,912	$ 144,618	$ 78,096	$ 1,468,626
Depreciation and amortization	94,749	8,172	6,347	109,268
In-kind professional fees	104,230	-	-	104,230
Contract labor	59,280	2,487	1,841	63,608
Grant writing and research	5,500	3,000	51,500	60,000
Technology	32,771	2,676	2,656	38,103
Occupancy expenses	30,633	1,484	2,020	34,137
Insurance	28,778	2,003	1,915	32,696
Professional fees	-	23,940	-	23,940
Travel and entertainment	19,022	589	731	20,342
Supplies	17,561	567	663	18,791
Printing and postage	12,481	1,043	3,796	17,320
Miscellaneous	11,617	2,332	2,311	16,260
Dues and subscriptions	5,874	2,217	2,351	10,442
Bad debt expense	803	5,044	-	5,847
Fixed asset disposal	-	4,693	-	4,693
Staff training	4,548	-	-	4,548
Advertising	-	100	-	100
Total functional expenses	**$ 1,673,759**	**$ 204,965**	**$ 154,227**	**$ 2,032,951**

See notes to consolidated financial statements.

Consolidated Statement of Functional Expenses

Year Ended December 31, 2018

	Program Services	Management and General	Fundraising	Total
Payroll and related expenses	$ 1,129,023	$ 138,282	$ 75,930	$ 1,343,235
Depreciation and amortization	100,889	7,114	7,114	115,117
Grant writing and research	18,000	-	54,000	72,000
In-kind professional fees	52,738	162	162	53,062
Technology	36,950	2,335	2,335	41,620
Contract labor	35,577	1,593	1,929	39,099
Insurance	23,373	1,648	1,648	26,669
Occupancy expenses	21,995	1,560	1,560	25,115
Travel and entertainment	20,092	4,250	612	24,954
Professional fees	-	22,665	-	22,665
Bad debt expense	-	16,954	-	16,954
Printing and postage	12,491	857	2,604	15,952
Supplies	11,801	1,619	849	14,269
Staff training	9,062	2,610	1,315	12,987
Dues and subscriptions	8,588	459	3,229	12,276
Miscellaneous	5,459	546	343	6,348
Advertising	-	100	-	100
Total functional expenses	**$ 1,486,038**	**$ 202,754**	**$ 153,630**	**$ 1,842,422**

Consolidated Statement of Cash Flows

Years Ended December 31, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities		
Increase in net assets	$ 191,732	$ 15,405
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Depreciation and amortization	109,268	115,117
Loss on disposal of property and equipment	4,693	-
Bad debt expense	5,847	16,954
Unrealized (gain) loss on investments	(14,316)	5,679
Changes in operating assets and liabilities that (used) provided cash:		
Grants, contributions, and accounts receivable	(80,870)	(2,292)
Prepaid expenses	730	(3,136)
Accounts payable	(903)	(12,382)
Accrued expenses	5,283	6,253
Deferred revenue	2,500	(2,481)
Conditional contributions	134,409	209,089
Net cash provided by operating activities	358,373	348,206
Cash Flows from Investing Activities		
Purchase of property and equipment	(26,507)	(31,480)
Interest income	(3,647)	(4,252)
Purchase of investments	(693,927)	(856,195)
Sale of investments	673,715	425,975
Net cash used in investing activities	(50,366)	(465,952)
Net Increase (Decrease) in Cash	308,007	(117,746)
Cash - Beginning of year	963,146	1,080,892
Cash - End of year	**$ 1,271,153**	**$ 963,146**

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 metro 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 and medical exams, which 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 trainings, 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.

Note 2 - Adoption of New Accounting Pronouncements

As of January 1, 2019, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes Topic 605, *Revenue Recognition*. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The Organization adopted the new standard using the modified retrospective method. Modified retrospective adoption requires entities to apply the standard retrospectively to the most current period presented in the financial statements, requiring the cumulative effect of the retrospective application as an adjustment to the opening balance of net assets at the date of initial application. Prior periods have not been adjusted. No cumulative-effect adjustment in net assets was recorded, as adoption of the ASU did not significantly impact the Organization's reported historical revenue. There was no significant impact on the amount of revenue recognized from contracts with customers for the year ended December 31, 2019 as a result of adopting the new guidance. Additional information is provided within Note 3.

As of January 1, 2019, the Organization adopted Financial Accounting Standards Board Accounting Standards Update No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides enhanced guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal transactions) and (2) determining whether a contribution is conditional. The Organization adopted the new standard on a modified prospective basis. The adoption did not have a material impact to the financial statements, and the Organization's revenue recognition practices were substantially unchanged as a result of applying ASU No. 2018-08.

Note 3 - Significant Accounting Policies

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, whereby 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. At December 31, 2019 and 2018, the Organization had cash in excess of federally insured limits.

Note 3 - Significant Accounting Policies (Continued)

Investments

Short-term investments consist of certificates of deposit and mutual funds at December 31, 2019 and 2018. 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, 2019 and 2018, 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, 2019 and 2018.

For the years ended December 31, 2019 and 2018, revenue by two contributors of the Organization accounted for 25 and 26 percent, respectively, of total revenue and support. At December 31, 2019 and 2018, three contributors accounted for 79 and 65 percent, respectively, of total grants and contributions receivable.

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 restriction and reported in the consolidated statement of changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within 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.

Note 3 - Significant Accounting Policies (Continued)

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, 2019 and 2018, the Organization had deferred revenue of $8,500 and $6,000, respectively, related to contracts with customers. As of January 1, 2018, the Organization had no deferred revenue related to contracts with customers.

Total accounts receivable related to contracts with customers as of December 31, 2019 and 2018 were $117,338 and $86,674, respectively. Total accounts receivable related to contracts with customers as of January 1, 2018 was $87,899.

Revenue from contracts with customers was $621,784 and $551,383 as of December 31, 2019 and 2018, respectively.

Grant and Contract Revenue

Grant revenue received for grants determined to be exchange transactions is recognized as services are provided. Grant money received in excess of that earned is recorded as deferred revenue. Grants that are considered to be contributions are recorded when received as either without donor restrictions or with donor restrictions based on the purpose of the grant.

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).

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 programs 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.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including May 20, 2020, which is the date the financial statements were available to be issued.

Note 3 - Significant Accounting Policies (Continued)

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted thousands of individuals worldwide. In response, many countries have implemented measures to combat the outbreak that have impacted global business operations. As of the date of issuance of the consolidated financial statements, the Organization's activities have not been significantly impacted, but the Organization continues to monitor the situation. In addition, while the Organization's activities, functional expenses, cash flows, and financial condition could be negatively impacted, the extent of the impact cannot be reasonably estimated at this time.

The Organization applied for and was awarded $261,500 in the form of a forgivable loan from the Paycheck Protection Program through the Coronavirus Aid, Relief, and Economic Security Act to support staffing and certain administrative costs. At this time, no amount of forgiveness can be estimated.

Note 4 - Liquidity and Availability of Resources

The Organization has $2,061,119 and $1,639,914 of financial assets available within one year of December 31, 2019 and 2018 to meet cash needs for general expenditure consisting of cash of $1,271,153 and $963,146, accounts receivable of $287,205 and $212,182, and short-term investments of $502,761 and $464,586, respectively. Of these financial assets, $57,385 and $117,623 is subject to donor restrictions, and cash in the amount of $351,998 and $215,089 is associated with deferred revenue and conditional contributions at December 31, 2019 and 2018, 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 DCAC'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 $92,816 and $82,000 at December 31, 2019 and 2018, respectively, to cover the cost of future facility repairs and maintenance, as mentioned in Note 8.

The Organization has developed an investment policy and holds short-term, conservative investments in the forms of stocks, mutual funds, and a certificate of deposit maturing within one year. 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 $160,000 and $150,000 per month in 2019 and 2018, respectively, 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 5 - 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.

The following tables present information about the Organization's assets measured at fair value on a recurring basis at December 31, 2019 and 2018 and the valuation techniques used by the Organization to determine those fair values.

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.

Note 5 - Fair Value Measurements (Continued)

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 whereby 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.

	Assets Measured at Fair Value on a Recurring Basis at December 31, 2019			
	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, 2019
Assets				
Certificates of deposit	$ -	$ 321,661	$ -	$ 321,661
Mutual funds	181,100	-	-	181,100
Total assets	$ 181,100	$ 321,661	$ -	$ 502,761

	Assets Measured at Fair Value on a Recurring Basis at December 31, 2018			
	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, 2018
Assets				
Certificates of deposit	$ -	$ 320,596	$ -	$ 320,596
Mutual funds	143,990	-	-	143,990
Total assets	$ 143,990	$ 320,596	$ -	$ 464,586

The fair value of the certificates of deposit at December 31, 2019 was determined primarily based on Level 2 inputs. The Organization estimates the fair value of these investments based on yields currently available on comparable securities of the issuer or other issuers with similar credit ratings.

Note 6 - Property and Equipment

Property and equipment are summarized as follows:

	2019	2018
Buildings	$ 1,875,123	$ 1,875,123
Building improvements	440,799	440,799
Land	343,066	343,066
Furniture, fixtures, and equipment	301,265	282,972
Software	89,175	89,175
Total cost	3,049,428	3,031,135
Accumulated depreciation and amortization	1,148,024	1,042,277
Net property and equipment	$ 1,901,404	$ 1,988,858

Depreciation and amortization expense for 2019 and 2018 was $109,268 and $115,117, respectively.

Note 7 - Related Party Transactions

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

Individual board of directors members made contributions totaling $34,636 and $40,115 to the Organization for the years ended December 31, 2019 and 2018, respectively.

Note 8 - 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 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:

	2019	2018
Board-designated net assets:		
Working capital reserve	$ 450,000	$ 450,000
Facility repairs and maintenance	92,816	82,000
Total board-designated net assets	542,816	532,000
Undesignated net assets	2,961,244	2,720,090
Total net assets without donor restrictions	$ 3,504,060	$ 3,252,090

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

	2019	2018
Programs	$ 57,385	$ 114,290
Time restrictions	-	3,333
Total	$ 57,385	$ 117,623

Note 9 - Retirement Plans

The Organization sponsors two defined contribution tax deferred annuity plans (the "Plans"), as outlined in Section 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 $15,413 and $9,076 to the Plans on behalf of participating employees during the years ended December 31, 2019 and 2018, 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 10 - Operating Leases

The Organization is obligated under a noncancelable operating lease for office equipment, expiring in June 2020. Future minimum lease payments under this lease are approximately $2,150 in 2020. Total rent expense under this lease was approximately $4,300 for 2019 and 2018.

Note 11 - 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, and data consulting. 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, 2019 and 2018 are as follows:

	2019	2018
Professional services	$ 104,230	$ 53,062

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 12 - 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, 2019, conditional grant contributions remaining totaled $1,169,310, which are composed of the following:

	Total Conditional Grant Awards	Cumulative Grant Revenue Recognized	Conditional Grant Awards Remaining	Conditional Contributions Received at December 31, 2019
VOCA (Colorado Department of Public Safety, Division of Criminal Justice)	$ 598,936	$ 278,558	$ 320,378	$ -
Beacon Fund (administered through Gateway Fund II and the Denver Foundation)	693,247	170,291	522,956	239,435
LAUNCH Together	95,441	82,066	13,375	-
Colorado Health Access (CHA) Fund at The Denver Foundation	227,941	-	227,941	104,063
ZOMA Foundation	298,467	213,807	84,660	-
Total	$ 1,914,032	$ 744,722	$ 1,169,310	$ 343,498