ADOPTION OPTIONS

Financial Statements

December 31, 2018

(Together with Independent Auditor's Report)

AdoptionOptions

WIPFLi LLP
CPAs and Consultants

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WIPFLi LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Adoption Options
Denver, Colorado

We have audited the accompanying financial statements of Adoption Options (a nonprofit Agency), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Adoption Options, as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States.

Report on Summarized Comparative Information

We have previously audited Adoption Options' 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 16, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Wipfli LLP

Wipfli LLP

June 3, 2019
Denver, Colorado

ADOPTION OPTIONS

Statements of Financial Position
December 31, 2018
(With Comparative Totals for December 31, 2017)

ASSETS

		2018		2017
Assets				
Cash and cash equivalents	$	213,902	$	379,975
Investments		144,087		-
Accounts receivable		81,361		53,151
Grants and contributions receivable		7,419		-
Prepaid and other assets		22,719		30,781
Property and equipment, net		13,354		11,066
Total Assets	$	482,842	$	474,973

LIABILITIES AND NET ASSETS

		2018		2017
Liabilities				
Accounts payable	$	59,344	$	36,653
Accrued payroll liabilities		54,352		50,499
Deferred contract fees		6,400		5,800
Client deposits		4,609		8,334
Capital lease obligation		427		5,396
Total Liabilities		125,132		106,682
Net Assets				
Net assets without donor restrictions:				
Undesignated		70,291		88,291
Board designated		280,000		280,000
Total Net Assets Without Donor Restrictions		350,291		368,291
Net assets with donor restrictions		7,419		-
Total Net Assets		357,710		368,291
Total Liabilities and Net Assets	$	482,842	$	474,973

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

ADOPTION OPTIONS

Statements of Activities
Year Ended December 31, 2018
(With Comparative Totals for the Year Ended December 31, 2017)

	Year Ended December 31, 2018			
	Without Donor Restrictions	With Donor Restrictions	Total 2018	Total 2017
Support and Revenues				
Program service fees				
Adoption and placement fees	$ 529,287	$ -	$ 529,287	$ 581,396
Foster care	530,542	-	530,542	443,128
Counseling fees	166,647	-	166,647	176,006
Home study fees	175,050	-	175,050	145,690
Training fees	53,745	-	53,745	43,257
Other program fees	20,645	-	20,645	12,729
Total program service fees	1,475,916	-	1,475,916	1,402,206
Contributions and grants	79,326	7,419	86,745	56,150
Special events, net	98,049	-	98,049	73,010
In-kind contributions	36,746	-	36,746	29,945
Rental income	-	-	-	12,463
Interest income	409	-	409	301
Investment loss	(5,913)	-	(5,913)	-
Net assets released from restrictions	-	-	-	-
Total Support and Revenues	1,684,533	7,419	1,691,952	1,574,075
Expenses				
Program Services				
Infant adoptions	524,161	-	524,161	545,764
Flexible family and foster care	565,949	-	565,949	561,673
Designated adoptions	217,570	-	217,570	186,791
Other programs	26,962	-	26,962	11,583
Total Program Services	1,334,642	-	1,334,642	1,305,811
Supporting Services				
Management and general	221,919	-	221,919	124,079
Fundraising	145,972	-	145,972	71,365
Total Supporting Services	367,891	-	367,891	195,444
Total Expenses	1,702,533	-	1,702,533	1,501,255
Change in Net Assets	(18,000)	7,419	(10,581)	72,820
NET ASSETS, Beginning of Year	368,291	-	368,291	295,471
NET ASSETS, End of Year	$ 350,291	$ 7,419	$ 357,710	$ 368,291

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

ADOPTION OPTIONS

Statements of Functional Expenses
Year Ended December 31, 2018
(With Summarized Totals for the Year Ended December 31, 2017)

	Year Ended December 31, 2018								
	Program Services					Supporting Services			
	Infant Adoptions	Flexible Family/Foster Care	Designated Adoptions	Other Programs	Total Program Services	Management and General	Fund-Raising	Total	Total 2017
Salaries	$ 275,715	$ 165,948	$ 124,228	$ 14,476	$ 580,367	$ 146,383	$ 96,887	$ 823,637	$ 744,414
Employee benefits	25,075	14,496	11,924	1,570	53,065	11,653	7,353	72,071	63,452
Payroll taxes	19,877	12,059	9,452	1,077	42,465	10,428	6,855	59,748	53,513
Total payroll related costs	320,667	192,503	145,604	17,123	675,897	168,464	111,095	955,456	861,379
Foster care providers	-	306,789	-	-	306,789	-	-	306,789	272,872
Rent	31,186	15,220	14,990	2,805	64,201	6,890	4,988	76,079	88,397
Cost of direct benefit to donors	-	-	-	-	-	-	61,287	61,287	48,371
Advertising and promotion	26,153	9,940	10,890	1,665	48,648	3,746	5,061	57,455	24,486
Professional services	16,109	8,450	9,375	815	34,749	10,238	9,801	54,788	43,406
Legal	47,599	-	1,855	-	49,454	1,652	-	51,106	27,007
Travel	8,527	8,767	7,356	23	24,673	2,041	1,106	27,820	31,683
Bank and credit card fees	7,798	1,700	3,185	525	13,208	1,050	6,793	21,051	19,176
Technology	8,031	3,698	4,022	640	16,391	1,855	1,755	20,001	12,362
Insurance	6,721	3,300	3,500	1,500	15,021	1,915	1,300	18,236	19,781
Birth parent	15,586	-	1,206	-	16,792	-	-	16,792	17,222
Telephone	6,917	3,301	3,615	592	14,425	710	1,130	16,265	16,575
Supplies	7,092	1,490	1,271	224	10,077	1,789	815	12,681	17,354
Other expenses	1,489	4,207	221	10	5,927	5,330	214	11,471	8,298
ARISE Adoption Academy	1,825	900	1,250	300	4,275	4,968	150	9,393	-
Equipment	2,997	1,000	2,050	270	6,317	1,717	340	8,374	2,199
Meetings, meals, and entertainment	1,946	280	104	58	2,388	5,476	273	8,137	10,182
Dues and subscriptions	1,846	830	602	37	3,315	1,995	160	5,470	3,645
Postage	2,304	655	1,169	107	4,235	257	242	4,734	4,103
Continuing education	1,272	1,094	730	105	3,201	600	519	4,320	4,559
ICPC processing	760	-	2,870	-	3,630	-	-	3,630	2,090
Printing	943	388	417	80	1,828	354	210	2,392	4,491
Cradle home care	1,496	143	-	-	1,639	-	-	1,639	1,286
Tax and license	384	146	140	7	677	106	20	803	1,051
	519,648	564,801	216,422	26,886	1,327,757	221,153	207,259	1,756,169	1,541,975
Depreciation	4,513	1,148	1,148	76	6,885	766	-	7,651	7,651
Total expenses by function	524,161	565,949	217,570	26,962	1,334,642	221,919	207,259	1,763,820	1,549,626
Less: expenses included with revenues on the statements of activities									
Cost of direct benefit to donors	-	-	-	-	-	-	(61,287)	(61,287)	(48,371)
Total expenses included in the expense section on the statements of activities	$ 524,161	$ 565,949	$ 217,570	$ 26,962	$ 1,334,642	$ 221,919	$ 145,972	$ 1,702,533	$ 1,501,255

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

ADOPTION OPTIONS

Statements of Cash Flows
Year Ended December 31, 2018
(With Summarized Totals for the Year Ended December 31, 2017)

	2018	2017
Cash Flows From Operating Activities		
Change in net assets	$ (10,581)	$ 72,820
Adjustments to reconcile change in net assets to net cash provided (used in) by operating activities:		
Depreciation	7,651	7,651
Investment loss	5,913	-
Changes in operating assets and liabilities:		
Accounts receivable	(28,210)	17,480
Grants and contributions receivable	(7,419)	
Prepaid and other assets	8,062	8,782
Accounts payable	22,691	17,715
Accrued payroll liabilities	3,853	3,813
Deferred contract fees	600	1,500
Client deposits	(3,725)	2,996
Tenant security deposits	-	(1,597)
Net cash provided by (used in) operating activities	(1,165)	131,160
Cash Flows From Investing Activities		
Purchase of investments	(150,000)	-
Purchases of property and equipment	(9,939)	-
Net cash used in investing activities	(159,939)	-
Cash Flows From Financing Activities		
Repayment on capital lease obligation	(4,969)	(4,728)
Net cash used in financing activities	(4,969)	(4,728)
Net Change in Cash and Cash Equivalents	(166,073)	126,432
CASH AND CASH EQUIVALENTS, beginning of year	379,975	253,543
CASH AND CASH EQUIVALENTS, end of year	$ 213,902	$ 379,975

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

1. Organization and Summary of Significant Accounting Policies

Organization

Adoption Options ("the Agency") is a nonprofit corporation incorporated in the State of Colorado. The Agency is licensed by the Colorado Department of Human Services as a full-service adoption agency. The Agency is committed to providing experienced, professional, confidential counseling and adoptive services throughout Colorado. The Agency is supported primarily through program fees. The Agency provides decision-making counseling to birth parents faced with an unplanned pregnancy and helps place children from the foster care system. The Agency operates the following major programs:

Infant Adoptions – provides services for adoptive families seeking an infant, and provides counseling to birthparents seeking adoption.

Foster Care / Flexible Family – the Agency administers placement of children with approved adoptive families who are in the care and custody of the local departments of human services. Provides adoption services for families seeking older children and children with special needs.

Designated Adoptions – provides adoption services for families waiting for a child from a designated birth mother.

Other Adoption Services – the Agency provides birthparent counseling and adoptive family assessments in cases where the Agency was not directly affected.

Basis of Presentation

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

Classification of Net Assets

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Agency and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, funds to be held for an operating reserve.

Net assets with donor restrictions - Net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

1. Organization and Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of functional expenses. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and fringe benefits are allocated based upon estimations of time and effort. Indirect costs such as occupancy and office related expenses are allocated based upon time spent, utilization, and square footage.

Income Taxes

The Agency is a nonprofit corporation and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the accompanying financial statements contain no provision for income taxes. In addition, contributions to the Agency qualify for the charitable contribution deduction under Section 170(b)(1)(A) and Adoption Options has been classified as an entity that is not a private foundation under Section 509(a)(2).

The Agency is required to assess whether it is more likely than not that a tax position will be sustained upon examination by the applicable taxing authority, based solely on the technical merits of the position. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. During the years ended December 31, 2018 and 2017, the Agency's management evaluated its tax positions to determine the existence of uncertainties and did not note any matters that would require recognition, or which may have an effect on its tax-exempt status.

Concentrations of Credit Risk

Financial instruments that potentially subject the Agency to concentrations of credit risk consist principally of cash and cash equivalents. The Agency places its cash and cash equivalents with high credit quality financial institutions. At various times during the fiscal year, the Agency's cash balances exceeded the federally insured limits. The Agency has never experienced any losses related to these balances.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Agency considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

1. Organization and Summary of Significant Accounting Policies (continued)

Investments

Investments are recorded at fair value as determined in an active market. Unrealized gains and losses are included in the statements of financial position. Investment fees, if any, are netted with return.

Grants and Contributions Receivable

The Agency records as grants and contributions receivable unconditional promises to give. These unconditional promises represent written or oral agreements to contribute cash or other assets to the Agency. At December 31, 2018, management deemed all grants and contributions receivable to be fully collectible; accordingly, no allowance for uncollectible grants and contributions receivable was required.

Accounts Receivable

Accounts receivable consist primarily of amounts due from Denver area counties for foster care payments.

The Agency uses the allowance method to record uncollectible receivables. The allowance is based on prior experience and management's analysis of specific accounts. Management expects to collect all outstanding accounts receivable. Accordingly, no allowance for bad debts is required.

Property, Equipment, and Depreciation

Property and equipment are stated at cost or at the estimated fair value at the date of donation. Assets are depreciated using the straight-line method over the estimated useful lives of the assets, ranging from 5 to 7 years. All assets with a useful life of more than 1 year and a cost of more than $2,000 are capitalized.

Deferred Contract Fees

Deferred contract fees represent program fees collected before the end of the year for the following year.

Client Deposits

Client deposits are limited to use and include deposits made to the Agency by adoptive families to pay legal fees and birth parent expenses related to the adoption. Deposits remaining at year-end are recorded as client deposits liability.

Revenue and Support

The Agency earns a substantial portion of its revenue from program revenue related to adoption and placement fees, foster care management, and counseling and home study fees. Program revenue is recognized as income as the related fees become due, as defined in the underlying fee agreements. Rental income is recognized over the period of the lease agreement.

1. Organization and Summary of Significant Accounting Policies (continued)

Revenue and Support (continued)

Support from other organizations, governmental entities, and individuals are recognized when the donor makes a promise to give the Agency that is, in substance, unconditional. Contributions and grants received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any such restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. The Agency's policy is to record contributions whose restrictions are met in the same reporting period as contributions without donor restrictions.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promise becomes unconditional.

Donated Materials and Services

The Agency records the value of donated materials or services when there is an objective basis available to measure their value. The Agency recognized the estimated fair value of contributed services that meet the following criteria:

- The services rendered either create or enhance nonfinancial assets.
- The services received require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by contribution.

A substantial number of volunteers have donated significant amounts of time to the Agency, some of which do not meet the criteria above.

Advertising and Promotion

Advertising and promotion costs totaled $57,455 and $24,486, for the years ended December 31, 2018 and 2017, respectively. Advertising and promotion costs are expensed as incurred.

Summarized Financial Information

The financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient details to constitute a presentation in accordance with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

Change in Accounting Principle

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities* (Topic 958). This ASU provides for certain improvements in financial reporting for not-for-profit organizations and requires changes to net asset classification, enhancements to liquidity presentation and disclosures, presentation of an analysis of expenses by function and by nature, and netting of investment expenses with return, among other changes. The guidance in this ASU was adopted effective January 1, 2018, and was applied retrospectively to these financial statements, with the exception of certain omissions permitted by the ASU.

1. Organization and Summary of Significant Accounting Policies (continued)

Reclassification

Certain amounts in the 2017 financial statements have been reclassified, where appropriate, to conform to the presentation used in the 2018 financial statements. These reclassifications had no effect on the change in net assets previously reported.

Recently Issued Accounting Pronouncements

In May 2014, FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard supersedes current revenue recognition requirements in FASB Accounting Standards Codification (ASC) Topic 605 Revenue Recognition, and most industry specific guidance. When adopted, the amendments in the ASU must be applied using either a full or modified retrospective method. ASU No. 2014-09 is effective for nonpublic companies for fiscal years beginning after December 15, 2018. Management is currently evaluating the impact of the provisions of ASC 606 on the Agency's financial statements.

In June 2018, FASB issued ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this update will assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions, and determining whether a transaction is conditional. The amendments in this update are effective for annual financial statements issued for fiscal years beginning after December 15, 2018 for transactions in which the entity serves as the resource recipient and for fiscal years beginning after December 15, 2019, for transactions in which the entity serves as the resource provider. Early application of the amendments in this update are permitted. Management is currently evaluating the potential impact of this ASU on the Agency's financial statements

2. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within twelve months of the statement of financial position date, comprise the following as of December 31, 2018:

Cash and cash equivalents	$ 213,902
Investments	144,087
Accounts receivable	81,361
Grants and contributions receivable	7,419
Total financial assets	446,769
Less: Board designations – Operating Reserve	(280,000)
Total financial assets available for general expenditure	$ 166,769

The Agency had board-designated funds totaling $280,000 for operating reserves as of December 31, 2018. Although the Agency does not intend to spend from these board-designated funds other than for the designated purpose, these amounts could be made available if necessary.

The Agency does not have a formal liquidity policy. The Agency invests its financial assets in a manner consistent with the concept of prudent money management, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

3. Investments

Investments consist of the following:

As of December 31,	2018
Bond mutual funds	$ 90,077
Growth and income mutual funds	36,634
International mutual funds	11,788
Real estate mutual funds	1,119
Money market funds	4,469
	$ 144,087

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with various investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

3. Investments (continued)

Investment loss consists of the following:

Year Ended December 31,	2018
Interest and dividends	$ 2,922
Realized and unrealized losses on investments, net	(8,835)
Total investment loss, net	$ (5,913)

4. Property and Equipment

Property and equipment consist of the following:

As of December 31,	2018	2017
Leased equipment	$ 22,641	$ 22,641
Furniture and equipment	26,575	16,637
	49,216	39,278
Less: accumulated depreciation	(35,862)	(28,212)
Net property and equipment	$ 13,354	$ 11,066

5. Capital Lease Obligation

The Agency acquired a copier under capital leasing arrangements. As of December 31, 2018, the cost of the copier is $22,641, and the net carrying value is $377. The future minimum lease payments are as follows:

Year Ending December 31:	
2019	$ 427
Less: amount representing interest	-
Present value of capital lease obligation	$ 427

6. Rental Income

The Agency sub-leased part of its auxiliary office space under a lease agreement that was originally scheduled to expire in October 2018. In July 2017, the Agency terminated the auxiliary office space lease agreement and terminated the sub-lease agreement. Rental income from this sub-lease arrangement totaled $12,463, for the year ended December 31, 2017.

7. Operating Leases

During October 2016, the Agency entered into an agreement to lease office space under a non-cancelable operating lease that is scheduled to expire on October 31, 2024. The Agency also leases office equipment under an operating lease expiring in January 2023.

Approximate minimum rent payments due under both operating leases are as follows:

Years Ending December 31:	
2019	$ 81,400
2020	82,400
2021	82,800
2022	90,500
2023	78,900
2024	66,100
	$ 482,100

Rent expense under all operating leases totaled $76,079 and $88,397, for the years ended December 31, 2018 and 2017, respectively.

8. In-Kind Contributions

Donated materials and services are important to the Agency's operations and, accordingly, are reflected as contributions in the accompanying financial statements at their estimated fair values at date of receipt. Donated materials and services consist of the following:

Years Ended December 31,	2018	2017
Business consulting services	$ 33,123	$ 25,845
Program supplies	3,623	4,100
	$ 36,746	$ 29,945

The donated business consulting services are recorded as a donation and within professional services on the statements of functional expenses. The donated program supplies are recorded as a contribution and within supplies on the statements of functional expenses.

9. Fair Value Measurements

The Agency utilizes three levels of inputs to measure fair value (the fair value hierarchy) in accordance with financial accounting standards. The level of an asset or liability within the fair value hierarchy is based on the lowest level of input significant to the fair value measurement of that asset or liability. The Agency determines fair value as follows:

Level 1 – Quoted prices are available in active markets.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 – Pricing inputs that are unobservable.

Following is a description of the valuation methodologies used for assets measured at fair value:

Mutual funds: Fair value based on quoted price in an active market.

Money market funds: Measured using $1 as the net asset value (“NAV”).

Information regarding the assets measured at fair value on a recurring basis is as follows:

As of December 31, 2018,	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Bond mutual funds	$ 90,077	$ -	$ -	$ 90,077
Growth and income mutual funds	36,634	-	-	36,634
International mutual funds	11,788	-	-	11,788
Real estate mutual funds	1,119	-	-	1,119
Money market funds	-	4,469	-	4,469
	$ 139,618	$ 4,469	$ -	$ 144,087

There were no liabilities measured at fair value on a recurring basis, and no assets or liabilities measured at fair value on a nonrecurring basis.

10. Net Assets Without Donor Restrictions - Board Designated

Net assets without donor restrictions have been designated by the Board of Directors with the following intent and purposes at December 31st:

	2018	2017
Operating Reserve: funds designated as a source of funding in the event of revenue shortfalls and/or unforeseen extraordinary occurrences.	$ 280,000	$ 280,000

11. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following:

As of December 31,	2018	2017
Subject to the passage of time:		
Grants and contribution receivable	$ 7,419	$ -

12. Pension Plan

Prior to 2018, the Agency had a retirement plan under the Internal Revenue Service Code section 403(b). Employees could make contributions to the plan up to the maximum amount allowed by the IRS. The Agency did not contribute to the plan.

On January 1, 2018, the Agency adopted a new retirement plan under the Internal Revenue Service Code section 401(k) for all employees of the Agency. Employees may make contributions to the plan up to the maximum amount allowed by the IRS. The Agency provides a match of 50 cents on the dollar on up to 4% of salary with the potential of discretionary funds added at end of the year. Discretionary funds are only available to those contributing. During 2018, the Agency contributed $10,387 to the plan.

13. Reimbursements in Lieu of Colorado Unemployment Insurance Premiums

The Agency has elected the direct reimbursement method with respect to Colorado Unemployment Tax in accordance with Section 8-76-110, Paragraph 4 of the Colorado Unemployment Security Act.

Accordingly, the Agency does not pay Colorado unemployment tax, but is required to reimburse the State for any unemployment benefits paid on its behalf. The deposit with the state of Colorado as of December 31, 2018 and 2017, totals $11,482 and $11,796, respectively, and is included in prepaid and other assets on the accompanying statements of financial position.

14. Subsequent Events - ARISE Adoption Academy LLC

Subsequent events have been evaluated through June 3, 2019, which is the date the financial statements were available to be issued. The following event occurred subsequent to December 31, 2018:

On February 20, 2019, the Agency filed Articles of Organization with the Colorado Secretary of State to form ARISE Adoption Academy LLC ("ARISE"). ARISE is wholly owned by the Agency. The Agency also entered into a Services Agreement with ARISE.

The mission of ARISE is to be a resource for families that offers education, support, and coaching that will strengthen and preserve families. ARISE will allow Adoption Options to expand services that will support the well-being of birth families and foster children. The goal of ARISE is to not only help adoptive families gain easy access to necessary and relevant services and resources, but to help fund some important programs within Adoption Options.

Services to be provided by ARISE include:

- Webinars/Podcasts: Online education focused on adoption-related topics like "talking to my child about their birth family," "trauma informed parenting," and "sibling connections." Topics will also cover the seven core issues of adoption: grief, loss, control, rejection, guilt/shame, identity, and intimacy.

- Online Coaching: One-hour sessions can be accessed on-demand whenever a family needs assistance facing difficult behaviors or conversations. This service is meant to enhance the parent/child connection during times when therapy is not available.

- Community Meetups: Support groups are an important part of feeling connected/included in adoption, and these groups will lend support and guidance to adoptive parents from others that have gone, or are going, through the journey. The groups will be facilitated by adoptive families in their assigned area.