Adoption Options and Subsidiary

Consolidated Financial Statements

For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

OLSON REYES & SAUERWEIN
Certified Public Accountants

Adoption Options and Subsidiary

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OLSON & REYES & SAUERWEIN
Certified Public Accountants

Independent Auditor's Report

To the Board of Directors
Adoption Options and Subsidiary

Opinion
We have audited the accompanying consolidated financial statements of Adoption Options and Subsidiary (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Adoption Options and Subsidiary as of December 31, 2021, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Adoption Options and Subsidiary 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 Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Adoption Options and Subsidiary'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 Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

OLSON REYES & SAUERWEIN
Certified Public Accountants

Independent Auditor's Report

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the 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 Adoption Options and Subsidiary's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Adoption Options and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

The consolidated financial statements of Adoption Options and Subsidiary as of and for the year ended December 31, 2020, were audited by other auditors whose report dated May 5, 2021, expressed an unmodified opinion on those consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Olson, Reyes & Sauerwein, LLC

Olson, Reyes and Sauerwein, LLC
Centennial, Colorado
July 18, 2022

Adoption Options and Subsidiary

Consolidated Statements of Financial Position

December 31, 2021

(With Comparative Totals as of December 31, 2020)

	2021	2020
ASSETS		
Cash	$ 195,596	$ 145,772
Investments	232,620	220,980
Accounts receivable	139,109	83,612
Contributions and grants receivable	63,634	15,058
Prepaid expenses and other assets	38,837	25,520
Property and equipment, net	4,641	4,383
TOTAL ASSETS	$ 674,437	$ 495,325
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$ 60,419	$ 50,560
Accrued liabilities	38,500	47,995
Contract liabilities - deferred revenue	15,200	2,900
Total Liabilities	114,119	101,455
Net Assets		
Without donor restrictions:		
Undesignated	327,647	228,812
Board designated	150,000	150,000
Total Net Assets Without Donor Restrictions	477,647	378,812
With donor restrictions	82,671	15,058
Total Net Assets	560,318	393,870
TOTAL LIABILITIES AND NET ASSETS	$ 674,437	$ 495,325

See Notes to Consolidated Financial Statements

Adoption Options and Subsidiary

Consolidated Statements of Activities

For the Year Ended December 31, 2021

(With Comparative Totals as of December 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021	2020
Support and Revenue				
Program Service Fees				
Foster care	$ 922,763	$ -	$ 922,763	$ 692,439
Adoption and placement fees	286,602	-	286,602	379,900
Counseling fees	71,400	-	71,400	109,950
Home study fees	126,050	-	126,050	139,650
Training fees	32,600	-	32,600	41,650
Other program fees	38,819	-	38,819	16,750
Total Program Service Fees	1,478,234	-	1,478,234	1,380,339
Contributions and grants	91,277	108,316	199,593	72,895
Paycheck Protection Program grant	-	-	-	234,700
Special events, net	17,955	-	17,955	31,355
In-kind contributions	19,095	-	19,095	19,051
Rental income	15,000	-	15,000	22,225
Interest income	2	-	2	27
Investment income	11,640	-	11,640	14,113
Other income	4,142	-	4,142	-
Net assets released from restrictions	40,703	(40,703)	-	-
Total Support and Revenue	1,678,048	67,613	1,745,661	1,774,705
Expenses				
Program Services:				
Infant adoptions	285,435	-	285,435	365,059
Flexible family and foster care	666,854	-	666,854	585,166
Designated adoptions	187,654	-	187,654	140,792
Fostering healthy futures	45,612	-	45,612	-
Other programs	9,686	-	9,686	10,234
ARISE Adoption Academy	-	-	-	9,991
Total Program Services	1,195,241	-	1,195,241	1,111,242
Support Services:				
Management and general	224,690	-	224,690	213,977
Fundraising	159,282	-	159,282	221,913
Total Support Services	383,972	-	383,972	435,890
Total Expenses	1,579,213	-	1,579,213	1,547,132
Change in Net Assets	98,835	67,613	166,448	227,573
Net Assets - Beginning of Year	378,812	15,058	393,870	166,297
NET ASSETS - END OF YEAR	$ 477,647	$ 82,671	$ 560,318	$ 393,870

See Notes to Consolidated Financial Statements

Adoption Options and Subsidiary

Consolidated Statement of Functional Expenses

For the Year Ended December 31, 2021

(With Comparative Totals for the Year Ended December 31, 2020)

	Program Services						Supporting Services			
	Infant Adoptions	Flexible Family Foster Care	Designated Adoptions	Fostering Healthy Futures	Other Programs	Total Program Services	Management and General	Fund-Raising	Total 2021	Total 2020
Salaries and wages	$ 166,309	$ 196,856	$ 115,192	$ 35,112	$ 3,361	$ 516,830	$ 127,064	$ 110,410	$ 754,304	$ 794,641
Employee benefits	8,577	8,472	5,255	68	115	22,487	26,138	4,961	53,586	59,227
Payroll taxes	13,232	14,154	8,592	2,295	490	38,763	10,534	7,418	56,715	73,520
Total Personnel Expenses	188,118	219,482	129,039	37,475	3,966	578,080	163,736	122,789	864,605	927,388
Foster care providers	-	376,697	-	-	-	376,697	-	-	376,697	267,574
Office rent	19,350	26,080	15,620	1,488	2,643	65,181	14,884	9,998	90,063	90,607
Advertising and promotion	8,440	7,278	3,523	1,248	322	20,811	2,665	8,488	31,964	39,802
Technology	8,113	8,529	5,665	834	1,014	24,155	3,786	3,502	31,443	36,188
Equipment	2,092	2,045	1,550	16	245	5,948	3,432	945	10,325	11,031
Professional services	30,815	3,173	10,658	315	250	45,211	2,739	5,114	53,064	51,836
Birth parent	6,642	680	3,835	-	-	11,157	-	-	11,157	23,814
Cost of direct benefit to donors	-	-	-	-	-	-	-	39,919	39,919	17,950
Insurance	5,078	6,139	3,286	527	142	15,172	4,098	2,105	21,375	21,173
Telephone	2,688	2,942	2,635	389	294	8,948	4,188	1,719	14,855	17,758
Bank and credit card fees	3,452	3,822	3,074	38	278	10,664	3,198	1,677	15,539	16,688
Travel, meals and entertainment	1,248	5,013	3,283	1,925	270	11,739	1,435	63	13,237	11,558
Office expenses	7,565	3,294	4,864	393	262	16,378	5,014	1,236	22,628	19,085
Other expenses	1,045	891	85	924	-	2,945	4,283	1,379	8,607	8,803
Temp labor	789	789	537	40	-	2,155	6,589	267	9,011	-
Depreciation	-	-	-	-	-	-	4,643	-	4,643	3,827
	285,435	666,854	187,654	45,612	9,686	1,195,241	224,690	199,201	1,619,132	1,565,082
Less: expenses included with revenues on the Statements of Activities										
Cost of direct benefit to donors	-	-	-	-	-	-	-	(39,919)	(39,919)	(17,950)
Total Expenses Included in the Expense Section on the Statements of Activities	$ 285,435	$ 666,854	$ 187,654	$ 45,612	$ 9,686	$ 1,195,241	$ 224,690	$ 159,282	$ 1,579,213	$ 1,547,132

See Notes to Consolidated Financial Statements

Adoption Options and Subsidiary

Consolidated Statements of Cash Flows

For the Year Ended December 31, 2021

(With Comparative Totals for the Year Ended December 31, 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 166,448	$ 227,573
Adjustment to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities		
Depreciation	4,643	3,827
Realized and unrealized (gains) net	(3,668)	(9,542)
Change in Operating Assets and Liabilities		
(Increase) Decrease in:		
Accounts receivable	(55,497)	10,618
Contributions and grants receivable	(48,576)	(7,049)
Prepaid expenses and other assets	(13,317)	2,571
Increase (Decrease) in:		
Accounts payable	9,859	650
Accrued liabilities	(9,495)	(21,088)
Deferred revenue	12,300	290
Net Cash Flows from Operating Activities	62,697	207,850
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase) of property and equipment	(4,901)	-
(Purchase) of investments	(136,424)	(124,571)
Proceeds from sale/redemption of investments	128,452	-
Net Cash Flows from Investing Activities	(12,873)	(124,571)
Net Increase (Decrease) in Cash	49,824	83,279
Cash - Beginning of Year	145,772	62,493
CASH - END OF YEAR	$ 195,596	$ 145,772

See Notes to Consolidated Financial Statements

Note 1 - Significant Accounting Policies

Nature of 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 birth parents 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.

Fostering Healthy Futures- provides one on one mentoring and therapeutic skills to kids that have been affected by the child welfare system. This is a new program that was launched in September 2021.

Other Adoption Services - the Agency provides birth parent counseling and adoptive family assessments in cases where the Agency was not directly affected.

On February 20, 2019, the Agency filed Articles of Organization with the Colorado Secretary of State to form ARISE Adoption Academy LLC (“ARISE”). ARISE (a single member LLC) is wholly owned by the Agency. The Agency also entered into a Services Agreement with ARISE. As of December 31, 2021, operations at ARISE are on hold due to a lack of funding.

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 expected to be provided by ARISE include:

Note 1 - Significant Accounting Policies (continued)

Nature of Organization (continued)

- 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.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Adoption Options and ARISE Adoption Academy LLC. All significant intercompany balances and transactions have been eliminated in the consolidation.

Basis of Presentation

The accompanying consolidated financial statements of the Agency are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP).

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 in 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, or when the stipulated purpose for which the resource was restricted has been fulfilled.

Note 1 - Significant Accounting Policies (continued)

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and the accompanying notes. Actual results could differ from the estimates.

Income Taxes

The Organization is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from activities not directly related to the Organization's tax exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Agency applies a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in a tax return. After evaluating the tax positions taken, none are considered to be uncertain, therefore, no amounts have been recognized as of December 31, 2021 and 2020.

Prior Year Summarized Comparative Information

The consolidated financial statements include certain prior-year summarized comparative information in total, but not by net asset class. The prior year presentation does not include sufficient detail to constitute presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the consolidated financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Accounts Receivable

Accounts receivable consist primarily of amounts due from Denver metro area counties for foster care payments and program fees due from adoptive families.

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.

Note 1 - Significant Accounting Policies (continued)

Contributions and Grants Receivable

Contributions and grants receivable are recognized as revenue in the period awarded and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Contributions and grants receivable are recognized at the net realizable value if expected to be collected within one year, and at fair value if expected to be collected in greater than one year. At December 31, 2021 and 2020, contributions and grants receivable have been determined to be fully collectible. Accordingly, no allowance for doubtful accounts has been recorded.

Conditional contributions and grants receivable are recognized when the conditions on which they depend are substantially met.

Investments

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

Property and Equipment

Property and equipment is stated at cost or fair market value at the date of contribution, if donated. Maintenance items of a routine nature are expensed as incurred, whereas those which improve or extend the lives of existing assets are capitalized. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts, and any gain or loss is included in income. Depreciation is provided on the straight line method over the estimated useful lives of the assets which range from 5 to 7 years.

GAAP requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment, which is determined based upon the estimated fair value of the asset, is recorded when estimated undiscounted cash flows expected to be generated by the asset are insufficient to recover its net carrying value. Management has determined that no impairment of its long lived assets is deemed necessary at December 31, 2021 and 2020.

Note 1 - Significant Accounting Policies (continued)

Revenue Recognition

Program Fees

Key program services fees consist of the following:

- *Foster Care* - The Agency contracts with various counties in the Denver metropolitan area to provide foster care caseworker services. Revenue from these services is recognized when the services are performed.

- *Adoption and Placement Fees* - The Agency provides decision-making counseling, support, and educational services to the adoptive family and other individuals involved in the adoption process. Revenue is recognized in the year the contract obligations are completed.

- *Counseling Fees* - The Agency provides counseling, medical and other services related to the birth parent and adoptive family as they go through the legal process associated with the adoption.

- *Home Study Fees* - Adoptive families interested in adoption must complete an approved home study through a licensed adoption agency prior to the child being placed with the family. Revenue from these services is recognized when the services are performed.

The Agency recognizes program service fees at an amount that reflects consideration to which the Agency expects to be entitled to in exchange for transferring goods or services to a customer.

Foster care fees: foster care fees are recognized monthly based on when the services are performed. Foster care fees are based on a daily rate received from the counties. Foster care fees are billed to the counties monthly after the end of month when the service is provided.

Adoption related fees: There are multiple phases to the adoption process and fees are due from the adoptive family generally in advance of the individual phase to cover the Agency costs associated with that phase. The adoption fees are billed and due from the the family prior to the start of a specific phase. The adoption fees are generally nonrefundable and are used to cover the costs of services associated with a specific phase. The Agency deems that the performance obligation is satisifed at the commencement of the phase. Any payments from the adoptive families received for future phases are deferred and recorded as a contract liability on the Consolidated Statement of Financial Position until the respective phase(s) commence.

Note 1 - Significant Accounting Policies (continued)

Revenue Recognition (continued)

For the years ended December 31, 2021, 2020 accounts, receivable and contract liabilities consisted of the following:

	2021	2020	2020
Accounts receivable	$ 139,109	$ 83,612	$ 94,230
Contract liabilities - deferred revenue	$ 15,200	$ 2,900	$ 1,660

Contribution Revenue

Contributions are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when awarded.

Unconditional or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statement of Activities as net assets released from restrictions.

Grant Revenue

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

Grant Awards that are Contributions - Grant awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

Note 1 - Significant Accounting Policies (continued)

Revenue Recognition (continued)

Grant Awards that are Exchange Transactions - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control over the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

In-Kind Contributions

Donated goods are reflected as contributions in the financial statements at their estimated fair values at the date of donation. Donated services are recognized as contributions in accordance with GAAP for Not-for-Profit Organizations if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Agency.

Volunteers provided assistance with specific programs and fundraising events throughout the year that were not recognized as contributions in the financial statements because the recognition criteria were not met.

Rental Income

The Agency sub-leases a portion of its facility. Rental income is recognized over the period of the agreement.

Functional Expense Allocation

The Consolidated Statement of Functional Expenses report certain categories of expenses that are attributed to more than one program or supporting function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

New Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No 2016-02, *Leases* (Topic 842), which requires lessees to recognize on the balance sheet a right-of-use asset and a lease liability for most lease arrangements with a term greater than one year. The new standard also requires new disclosures to help financial statement users better understand the amount, timing and uncertainty of cash flows arising from the leases. ASU 2016-02 is effective for nonpublic companies for fiscal years beginning after December 15, 2021. Early adoption is permitted. The amendments in this update should be applied using a modified retrospective approach. The Agency is currently evaluating the impact of the provisions of this ASU.

Note 1 - Significant Accounting Policies (continued)

Advertising and Promotion

The Agency follows the policy of charging the costs of advertising to expense as incurred. For the years ended December 31, 2021 and 2020, advertising and promotion was $31,964 and $39,802, respectively.

Subsequent Events

In preparing its consolidated financial statements, the Agency has evaluated subsequent events through July 18, 2022, which is date the consolidated financial statements were available to be issued. Management of the Agency has not identified any material subsequent events that require reporting or disclosure.

Note 2 - Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following as of December 31, 2021 and 2020:

	2021	2020
Cash	$ 195,596	$ 145,772
Investments	232,620	220,980
Accounts receivable	139,109	83,612
Contributions and grants receivable	63,634	15,058
Total Financial Assets	630,959	465,422
Less:		
Board designations - operating reserve	(150,000)	(150,000)
Restricted program contributions included in cash and receivables	(82,671)	-
Total Financial Assets Available for General Expenditure	$ 398,288	$ 315,422

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 seeking maximum returns with reasonable levels of risk.

The Agency had board-designated assets of $150,000, designated for operating reserves as of December 31, 2021 and 2020. 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.

Note 3 - Concentration of Credit Risk

Since the Agency periodically places cash in individual financial institutions in excess of FDIC insured limits, the Agency periodically reviews the financial condition of the financial institutions to reduce the Agency's credit risk associated with cash. Additionally, the Agency places its cash with high credit quality financial institutions.

Credit risk associated with accounts, contributions and grants receivable is limited due to the number and creditworthiness of the entities from which the amounts are due.

Note 4 - Investments

Investments consisted of the following at December 31, 2021 and 2020:

	2021	2020
Equity mutual funds and exchange traded funds	$ 66,740	$ 64,068
Fixed income mutual funds and exchange traded funds	159,030	151,562
Money market funds	6,850	5,350
	$ 232,620	$ 220,980

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 consolidated financial statements.

Investment income consisted of the following for the years ended December 31, 2021 and 2020:

	2021	2020
Interest and dividends	$ 7,972	$ 4,571
Realized and unrealized gains (losses) on investments, net	3,668	9,542
	$ 11,640	$ 14,113

Note 5 - Fair Value Measurements

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority level; Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1); and Level 3 inputs are unobservable and have the lowest priority. The Agency uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Agency measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used for investments for which Level 1 inputs were not available. Level 3 inputs would only be used if Level 1 or Level 2 inputs were not available. There are no Agency assets requiring the use of Level 2 or Level 3 inputs for the periods presented.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used as of December 31, 2021 and 2020.

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

Money market funds: measured using $1 as the net asset value (NAV)

The following tables set forth by level, within the fair value hierarchy, the Agency's investment assets at fair value as of December 31, 2021 and 2020. Classification within the fair value hierarchy table is based on the lowest level of any input that is significant to the fair value measurement.

December 31, 2021	Level 1	Level 2	Level 3	Total
Mutual funds and exchange traded funds	$ 225,770	$ -	$ -	$ 225,770
Money market funds	6,850	-	-	6,850
	$ 232,620	$ -	$ -	$ 232,620

December 31, 2020	Level 1	Level 2	Level 3	Total
Mutual funds and exchange traded funds	$ 215,630	$ -	$ -	$ 215,630
Money market funds	5,350	-	-	5,350
	$ 220,980	$ -	$ -	$ 220,980

Note 6 - In-Kind Contributions

Donated goods and services consist of the following at December 31, 2021 and 2020:

	2021	2020
Business consulting services	$ 17,995	$ 19,051
Equipment	1,100	-
	$ 19,095	$ 19,051

Note 7 - Operating Leases

The Agency has entered into an agreement to lease office space under a non-cancelable operating lease that is scheduled to expire on October31, 2024. The Agency also subleases a portion of the office under an operating lease expiring on October 31, 2022.

	Gross Lease Obligation	Less: Sublease Income	Net Lease Obligation
2022	$ 95,806	$ 15,000	$ 80,806
2023	90,831	-	90,831
2024	76,280	-	76,280
	$ 262,917	$ 15,000	$ 247,917

For the years ended December 31, 2021 and 2020, paid rent of $99,126 and $99,811, respectively, and received Sub-lease income was $15,000 and $22,225, respectively.

Note 8 - Net Assets

Board Designated Net Assets: At December 31, 2021 and 2020, the Organization had designated $150,000 net assets for an operating reserve.

Net Assets with Donor Restrictions: At December 31, 2021 and 2020, net assets with donor restrictions are restricted for the following purposes:

	2021	2020
Fostering health futures	$ 19,037	$ -
Contributions and grants receivable	63,634	15,058
Total Net Assets with Donor Restrictions	$ 82,671	$ 15,058

Note 9 - Retirement Plan

The Agency has adopted a retirement plan under 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% of employee contributions up to 4% of salary with the potential of discretionary funds added at the end of the year. The discretionary match is only available to those employees contributing to the plan. For the years ended December 31, 2021 and 2020, the Agency contributed $15,276 and $16,645 to the plan, respectively.

Note 10 - 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 the 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 at December 31, 2021 and 2020, totals $14,999 and $11,163, respectively, and is included in prepaid expenses and other assets on the accompanying Consolidated Statements of Financial Position.

Note 11 - Reclassifications

Certain prior year amounts were reclassified to conform to the current year presentation.