Right Answers, Right Here.

TANNER

Accountants & Advisors

Utah Children dba Voices for Utah Children

Financial Statements

As of December 31, 2022 and 2021 and for the Years Then Ended

Together with Independent Auditors' Report

TANNER

Independent Auditors' Report

To the Board of Directors
Utah Children dba Voices for Utah Children

Opinion

We have audited the accompanying financial statements of Utah Children dba Voices for Utah Children (a nonprofit organization; the Organization), which comprise the statements of financial position as of December 31, 2022 and 2021, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Utah Children dba Voices for Utah Children as of December 31, 2022 and 2021, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Recently Adopted Accounting Pronouncement

As discussed in Note 1 to the financial statements, the Organization changed its method of accounting for leases due to the adoption of Accounting Standards Update No. 2016-02, *Leases (Topic 842)*. Our opinion is not modified with respect to this matter.

Management's Responsibilities for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 financial statements.

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 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 financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Tanner LLC

November 7, 2023

Statements of Financial Position

				As of December 31,
Assets		**2022**		**2021**
Current assets:				
Cash and cash equivalents	$	288,507	$	196,961
Marketable securities		577,132		1,100,507
Receivables		11,900		25,181
Unconditional promise to give		24,124		30,000
Prepaid expenses		971		721
Total current assets		902,634		1,353,370
Operating lease right-of-use asset		153,980		-
Finance lease right-of-use asset		3,024		-
Property and equipment, net		9,343		14,478
Total assets	$	1,068,981	$	1,367,848
Liabilities and Net Assets				
Current liabilities:				
Accounts payable	$	42,037	$	20,589
Accrued expenses		6,972		7,834
Current portion of operating lease liability		33,947		-
Current portion of finance lease liability		3,427		-
Current portion of capital lease obligation		-		4,363
Total current liabilities		86,383		32,786
Operating lease liability, net of current portion		121,568		-
Capital lease obligation, net of current portion		-		2,638
Total liabilities		207,951		35,424
Net assets:				
Without donor restrictions		100,447		542,034
With donor restrictions		760,583		790,390
Total net assets		861,030		1,332,424
Total liabilities and net assets	$	1,068,981	$	1,367,848

See accompanying notes to financial statements.

Statements of Activities

	For the Years Ended December 31,	
	2022	**2021**
Change in net assets without donor restrictions:		
Revenues, support, and net investment income (loss):		
Contributions	$ 90,833	$ 159,049
Service revenue	93,873	97,299
Contributions and service revenue	184,706	256,348
Special events	-	23,078
Less cost of direct benefits to donors	-	(9,001)
Net special events revenue	-	14,077
Interest, dividends, and other income, net	29,904	37,228
Net realized and unrealized gain (loss) on investments	(191,192)	74,195
Total revenues, support, and net investment income (loss)	23,418	381,848
Net assets released from restrictions	781,103	964,956
Total revenues, support, net investment income (loss), and reclassifications	804,521	1,346,804
Expenses:		
Program services:		
Tax and budget issues	335,768	213,832
Children's health	230,836	176,671
Early care and education	192,982	219,793
Immigrant and refugee policy	135,512	72,451
Advocacy	110,547	138,050
Research	81,982	111,169
Deferred action for childhood arrivals	73,529	45,613
Left behind workers	-	268,088
Supporting services:		
Management and general	122,021	98,220
Fundraising	80,911	48,243
Total expenses	1,364,088	1,392,130
Other activities:		
Employee retention credit	117,980	-
Decrease in net assets without donor restrictions	(441,587)	(45,326)
Change in net assets with donor restrictions:		
Contributions	751,296	842,966
Net assets released from restrictions	(781,103)	(964,956)
Decrease in net assets with donor restrictions	(29,807)	(121,990)
Decrease in net assets	(471,394)	(167,316)
Net assets, beginning of the year	1,332,424	1,499,740
Net assets, end of the year	$ 861,030	$ 1,332,424

See accompanying notes to financial statements.

Statement of Functional Expenses

For the Year Ended December 31, 2022

	Program Services								Supporting Services			
	Tax and Budget Issues	Children's Health	Early Care and Education	Immigrant and Refugee Policy	Advocacy	Research	Deferred Action for Childhood Arrivals	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries and benefits	$ 185,197	$ 119,928	$ 171,180	$ 118,239	$ 98,049	$ 72,649	$ -	$ 765,242	$ 49,883	$ 8,380	$ 58,263	$ 823,505
Professional fees	42,017	94,632	575	1,560	575	-	495	139,854	38,752	32,700	71,452	211,306
Advertising	77,602	209	197	197	197	-	-	78,402	1,041	3,991	5,032	83,434
DACA renewal applications	-	-	-	-	-	-	72,005	72,005	-	-	-	72,005
Other	6,882	4,150	3,755	4,134	2,882	1,715	550	24,068	10,468	7,433	17,901	41,969
Rent	5,592	5,592	5,592	5,592	5,592	5,592	394	33,946	3,938	1,575	5,513	39,459
Travel	13,894	2,474	5,792	2,120	-	-	-	24,280	3,968	-	3,968	28,248
Event	-	-	1,544	-	-	-	-	1,544	-	23,641	23,641	25,185
Computers and subscriptions	2,263	1,072	2,020	1,472	1,104	805	-	8,736	4,971	1,719	6,690	15,426
Office supplies	1,044	1,502	1,050	921	871	-	-	5,388	5,201	1,009	6,210	11,598
Printing, copying, and postage	595	595	595	595	595	539	39	3,553	609	271	880	4,433
Telephone	682	682	682	682	682	682	46	4,138	445	192	637	4,775
Total expenses before depreciation and amortization	335,768	230,836	192,982	135,512	110,547	81,982	73,529	1,161,156	119,276	80,911	200,187	1,361,343
Depreciation and amortization	-	-	-	-	-	-	-	-	2,745	-	2,745	2,745
Total expenses included in the expense section on the statement of activities	$ 335,768	$ 230,836	$ 192,982	$ 135,512	$ 110,547	$ 81,982	$ 73,529	$ 1,161,156	$ 122,021	$ 80,911	$ 202,932	$ 1,364,088

See accompanying notes to financial statements.

Statement of Functional Expenses

For the Year Ended December 31, 2021

	Program Services									Supporting Services			
	Tax and Budget Issues	Children's Health	Early Care and Education	Immigrant and Refugee Policy	Advocacy	Research	Deferred Action for Childhood Arrivals	Left Behind Workers	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries and benefits	$ 142,047	$ 135,562	$ 153,841	$ 63,043	$ 114,616	$ 99,939	$ 3,435	$ -	$ 712,483	$ 36,259	$ 7,887	$ 44,146	$ 756,629
Early learning pilot projects	-	-	-	-	-	-	-	261,313	261,313	-	-	-	261,313
Professional fees	53,579	7,751	53,732	5,431	9,353	-	800	6,775	137,421	35,343	30,000	65,343	202,764
Rent	6,999	6,999	6,999	-	6,999	6,999	412	-	35,407	4,117	1,646	5,763	41,170
DACA renewal applications	-	-	-	-	-	-	40,516	-	40,516	-	-	-	40,516
Advertising	3,155	20,262	-	-	-	-	-	-	23,417	1,942	3,468	5,410	28,827
Other	1,662	1,752	1,149	506	1,037	569	347	-	7,022	2,079	2,240	4,319	11,341
Computers and subscriptions	1,785	1,519	1,238	1,265	1,564	557	-	-	7,928	5,322	86	5,408	13,336
Event	-	-	-	-	-	-	-	-	-	-	10,791	10,791	10,791
Office supplies	1,239	981	873	795	915	-	-	-	4,803	4,277	162	4,439	9,242
Printing, copying, and postage	1,059	1,059	1,059	90	1,059	969	57	-	5,352	1,056	779	1,835	7,187
Travel	1,521	-	116	1,321	1,721	1,350	-	-	6,029	-	-	-	6,029
Telephone	786	786	786	-	786	786	46	-	3,976	462	185	647	4,623
Total expenses before depreciation and amortization	213,832	176,671	219,793	72,451	138,050	111,169	45,613	268,088	1,245,667	90,857	57,244	148,101	1,393,768
Depreciation and amortization	-	-	-	-	-	-	-	-	-	7,363	-	7,363	7,363
Total expenses	213,832	176,671	219,793	72,451	138,050	111,169	45,613	268,088	1,245,667	98,220	57,244	155,464	1,401,131
Less expenses included as an offset to revenues on the statement of activities:													
Cost of direct benefits to donors	-	-	-	-	-	-	-	-	-	-	9,001	9,001	9,001
Total expenses included in the expense section on the statement of activities	$ 213,832	$ 176,671	$ 219,793	$ 72,451	$ 138,050	$ 111,169	$ 45,613	$ 268,088	$ 1,245,667	$ 98,220	$ 48,243	$ 146,463	$ 1,392,130

See accompanying notes to financial statements.

Statements of Cash Flows

	For the Years Ended December 31,	
	2022	**2021**
Cash flows from operating activities:		
Decrease in net assets	$ (471,394)	$ (167,316)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation and amortization	2,745	7,363
Interest and dividends	(14,869)	(24,915)
Unrealized (gain) loss on marketable securities	183,403	(9,691)
Realized (gain) loss on marketable securities	7,789	(64,504)
Amortization of operating right-of-use asset	28,917	-
Amortization of finance right-of-use asset	2,686	-
Changes in operating assets and liabilities:		
Receivables	13,281	6,431
Unconditional promises to give	5,876	220,000
Prepaid expenses	(250)	1,699
Accounts payable	21,448	9,171
Accrued expenses	(862)	1,872
Operating lease liability	(27,382)	-
Net cash used in operating activities	(248,612)	(19,890)
Cash flows from investing activities:		
Purchases of marketable securities, net	(12,948)	(6,730)
Purchases of property and equipment	(3,320)	(4,274)
Sale of marketable securities	360,000	-
Net cash provided by (used in) investing activities	343,732	(11,004)
Cash flows from financing activities:		
Payments on finance lease liability	(3,574)	-
Payments on capital lease obligation	-	(4,169)
Net cash used in financing activities	(3,574)	(4,169)
Net change in cash and cash equivalents	91,546	(35,063)
Cash and cash equivalents, beginning of year	196,961	232,024
Cash and cash equivalents, end of year	$ 288,507	$ 196,961
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	$ -	$ 1,014
Cash paid during the year for income taxes	-	-
Supplemental disclosure of non-cash investing and financing activities:		
Acquisition of operating lease right-of-use asset in exchange for operating lease liability	$ 182,897	$ -
Reclassification of capital lease obligations to finance lease liability	7,001	-
Reclassification of property and equipment to finance lease right-of-use asset	5,710	-

See accompanying notes to financial statements.

1. Organization and Summary of Significant Accounting Policies

Organization

Utah Children dba Voices for Utah Children (the Organization) is a Utah not-for-profit corporation organized to advocate for the rights of children in the state of Utah. The Organization promotes the development of healthy children and sound families through research, publications, media relations, community outreach, training sessions, and conferences.

The Organization's program services comprise the following:

Tax and Budget Issues
Conduct policy analysis of budget and tax policies, with a particular focus on the needs of low- and moderate-income families. The Organization works to broaden the debate on budget and tax policy through public education and the encouragement of civic engagement on these issues.

Children's Health
Improve and strengthen public and private programs to ensure that all children have access to and receive quality health care.

Early Care and Education
Provide to all children the services and support necessary to enable them to start school and to prepare them for success. The Organization researches best practices and develops recommendations to help state policymakers think strategically about policy decisions to increase accessibility, affordability, and quality of child care and early education.

Immigrant and Refugee Policy
Support immigrant communities by uplifting the issues that are most affecting them.

Advocacy
Legally engage in lobbying efforts to influence specific legislation. Utah Children has filed a 501(h) Election with the Internal Revenue Service that allows the Organization to engage in direct lobbying communications to elected officials and grass roots lobbying communications that encourage the public to contact elected officials.

Research
Provide accurate, objective information to inform public debate and strengthen public action on behalf of children and families.

Deferred Action for Childhood Arrivals (DACA)
Provide immigrants with a pathway to citizenship and allow them opportunities to work legally in the meantime.

Left Behind Workers
Assist undocumented workers in Utah to receive state and federal COVID-19 financial relief.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications.

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

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

Recently Adopted Accounting Pronouncements

Effective January 1, 2022, the Organization adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, *Leases (Topic 842)*. The Organization has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, the Organization accounted for its existing capital leases as finance leases and existing operating leases as operating leases under the new guidance, without reassessing (a) whether the contracts contain a lease under ASC Topic 842, (b) whether classification of the leases would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition adjustments (as of December 31, 2021) would have met the definition of initial direct costs in ASC Topic 842 at lease commencement. As a result of the adoption of the new lease accounting guidance, the Organization recognized on January 1, 2022 (the beginning of the earliest period presented) a lease liability at the carrying amount of the capital lease obligations on December 31, 2021, of $7,001 and a right-of-use asset at the carrying amount of the capital lease assets of $5,710.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Key management estimates include the allocation of program and supporting service expenses, the economic useful lives of property and equipment, and the determination of the values of the right-of-use assets and lease liabilities.

Concentrations of Credit Risk and Revenue Sources

The Organization maintains its cash and cash equivalents in deposit accounts which, at times, exceed federally insured limits or which are not federally insured. To date, the Organization has not experienced a loss or lack of access to its cash and cash equivalents; however, no assurance can be provided that access to the Organization's cash and cash equivalents will not be impacted by adverse conditions in the financial markets.

One organization, not listed below, accounted for 100% of total receivables as of both December 31, 2022 and 2021.

Concentrations of total unconditional promises to give were as follows for the years ended December 31:

	2022	**2021**
Organization A	75%	100%
Organization B	25%	*

* This organization did not represent more than 10% as of the date indicated.

Concentrations of total support and revenues received were as follows for the years ended December 31:

	2022	**2021**
Foundation A	22%	21%
Foundation B	18%	16%
Organization C	10%	*

* This organization did not represent more than 10% as of the date indicated.

A future reduction of the support and revenues from these entities could have a significant impact on the Organization's operations.

Cash Equivalents

The Organization considers all unrestricted highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. As of December 31, 2022 and 2021, cash equivalents consisted of money market accounts.

Marketable Securities

Marketable securities consist of publicly traded mutual funds and other equity securities reported at their readily determinable fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities. For the years ended December 31, 2022 and 2021, the Organization expensed advisory fees of $10,238 and $10,443, respectively, which are netted with interest, dividends, and other income, net in the statements of activities.

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

Receivables

The Organization records its receivables at sales value and establishes specific reserves for those customer accounts identified with collection problems due to insolvency or other issues. The Organization's receivables are considered past due when payment has not been received within 30 days of the invoice date. The amounts of the specific reserves are estimated by management based on various assumptions including the customer's financial position, age of the customer's receivables, and changes in payment schedules and histories. Account balances are charged off against the allowance for doubtful accounts receivable when the potential for recovery is remote. Recoveries of receivables previously charged off are recorded when payment is received. As of December 31, 2022 and 2021, the Organization did not have an allowance for doubtful accounts.

Unconditional Promises to Give

Unconditional promises to give expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discount is included in contribution revenue in the consolidated statement of activities. Management determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. As of December 31, 2022 and 2021, management has determined that an allowance for uncollectable promises to give was not required.

As of December 31, 2022 and 2021, the Organization had $24,124 and $30,000, respectively, in unconditional promises to give expected to be received in less than one year.

Property and Equipment

Property and equipment are recorded at cost, or if donated, at fair value at the date of the donation. Minor replacements, maintenance, and repairs, which do not increase the useful lives of the property and equipment, are expensed as incurred. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the assets or lease terms, ranging from five to seven years.

Impairment of Long-Lived Assets

The Organization reviews its property and equipment, and any other long-lived assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may be impaired. If it is determined that the estimated undiscounted future cash flows are not sufficient to recover the carrying value of the asset, an impairment loss is recognized in the statement of activities for the difference between the carrying value and the fair value of the asset. Management does not consider any of the Organization's assets to be impaired as of December 31, 2022 and 2021.

Leases

The Organization leases certain office space and equipment. The Organization assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. For all arrangements where it is determined that a lease exists, the related right-of-use assets and lease liabilities are recorded within the statement of financial position as either operating or finance leases. At inception or modification, the Organization calculates the present value of lease payments using the implicit rate determined from the contract or the risk-free discount rate, which is determined by using a period comparable with that of the lease term. The present value is adjusted for prepaid lease payments, lease incentives, and initial direct costs (e.g. commissions). The Organization's leases may require fixed rental payments, variable lease payments based on usage or sales and fixed non-lease costs relating to the leased asset. Variable lease payments are generally not included in the measurement of the right-of-use assets and lease liabilities. Leases with an initial term of 12 months or less are not recorded on the statement of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term. Fixed non-lease costs, for example common-area maintenance costs, taxes, insurance, and maintenance, are included in the measurement of the right-of-use asset and lease liability as the Organization does not separate lease and non-lease components.

Contributions

Unconditional contributions received are recorded as support and as net assets with or without donor restrictions, depending on the existence or nature of any donor-imposed restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Conditional promises to give, that is, those with a measurable performance or other barriers, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

If the Organization holds a fundraising event and the related contributions are received or services are paid prior to the event, then prepaid expenses and/or deferred revenue is recorded.

Revenue Recognition

For exchange transactions and service revenue, revenue is measured as the amount of consideration that the Organization expects to receive in exchange for goods or services. Revenue is recognized after the Organization has (1) identified the customer contract, (2) identified the performance obligation in the contract, (3) determined the transaction price, (4) allocated the transaction price to the performance obligation in the contract, and (5) recognized revenue when the performance obligation has been satisfied.

Revenue from exchange transactions is generally recognized when services have been provided or costs have been incurred, depending on the nature of the contract. Service fees and payments under cost-reimbursement contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively.

Expense Allocation

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among program and supporting services expenses.

The primary expenses that are allocated include the following:

Expense	Allocation Method
General (personnel)	Salaries and wages
Facilities	Level of effort
Depreciation and amortization	Level of effort

Advertising

Advertising costs are expensed as incurred and were approximately $83,000 and $29,000 for the years ended December 31, 2022 and 2021, respectively.

Income Taxes

The Organization is a qualified charitable organization under Section 501(c)(3) of the Internal Revenue Code and under state of Utah regulations, and as such, is not subject to federal or state income taxes on exempt purpose income.

The Organization accounts for uncertain tax positions, if any, when it is more-likely-than-not the position will not be sustained upon examination by the tax authorities. As of December 31, 2022 and 2021, the Organization had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Subsequent Events

The Organization has evaluated events through November 7, 2023, the date the financial statements were available to be issued.

2. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following for the years ended December 31:

	2022	2021
Cash and cash equivalents	$ 288,507	$ 196,961
Marketable securities	577,132	1,100,507
Receivables	11,900	25,181
Unconditional promise to give	24,124	30,000
Total financial assets	901,663	1,352,649
Less amounts not available for general expenditure within one year:		
Funds subject to donor-imposed purpose restrictions	(760,583)	(790,390)
Financial assets available to meet cash needs for general expenditure within one year	$ 141,080	$ 562,259

The Organization regularly monitors its liquidity and cash flow needs through the use of a budget and projections to help ensure that cash inflows are sufficient to cover projected cash outflows. In 2023, the Organization launched a campaign to raise over $400,000 in new donations. In addition, the Organization has the ability to reduce expenses, as necessary, to match available funding. The accompanying statement of cash flows identifies the sources and uses of the Organization's cash and the cash flows used in operating activities during the year ended December 31, 2022 totaling $248,612.

3. Marketable Securities

Marketable securities consisted of the following as of December 31:

2022		Cost		Unrealized Gain		Fair Value
Mutual funds	$	422,768	$	(48,213)	$	374,555
Exchange-traded funds		177,467		25,110		202,577
	$	600,235	$	(23,103)	$	577,132

2021		Cost		Unrealized Gain		Fair Value
Mutual funds	$	745,365	$	50,074	$	795,439
Exchange-traded funds		209,343		95,725		305,068
	$	954,708	$	145,799	$	1,100,507

4. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. To increase comparability, the following hierarchy prioritizes fair value measurements according to the type of inputs included in valuation methodologies used to measure fair value:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities.
Level 2: Prices that are based on inputs not quoted in active markets but corroborated by market data.
Level 3: Unobservable inputs that are used when little or no market data is available.

The fair value of mutual funds and other equity securities (exchange-traded funds) is based on the quoted net asset values of shares held at year-end, which are Level 1 inputs.

The following tables summarize the assets measured at fair value on a recurring basis as of December 31:

2022		Level 1		Level 2		Level 3		Total
Marketable securities:								
Mutual funds	$	374,555	$	-	$	-	$	374,555
Exchange-traded funds		202,577		-		-		202,577
	$	577,132	$	-	$	-	$	577,132

2021		Level 1		Level 2		Level 3		Total
Marketable securities:								
Mutual funds	$	795,439	$	-	$	-	$	795,439
Exchange-traded funds		305,068		-		-		305,068
	$	1,100,507	$	-	$	-	$	1,100,507

5. Property and Equipment

Property and equipment consisted of the following as of December 31:

	2022	2021
Office equipment	$ 21,639	$ 39,924
Furniture and fixtures	5,272	4,189
	26,911	44,113
Less accumulated depreciation and amortization	(17,568)	(29,635)
	$ 9,343	$ 14,478

Depreciation and amortization expense on property and equipment for the years ended December 31, 2022 and 2021 was $2,745 and $7,363, respectively.

6. Leases

The Organization leases its office facilities and equipment under a non-cancelable operating and finance lease, respectively. The finance lease asset is recorded net of accumulated amortization of $2,686 as of December 31, 2022. Amortization expense under the finance lease for the year ended December 31, 2022 was $2,686. Rent expense under the operating lease was $39,459 and $41,170 for the years ended December 31, 2022 and 2021, respectively, which includes rent expense on leases with a term less than twelve months.

The weighted average remaining lease terms for operating and finance leases as of December 31, 2022 was 4.3 years and 0.7 years, respectively. The weighted average risk-free discount rate for the operating and finance leases as of December 31, 2022 was 2.6% and 1.4%, respectively.

The following table reconciles the undiscounted future cash flows for the next five years and thereafter to the operating and finance lease liabilities recorded within the balance sheet as of December 31, 2022:

Year ending December 31:	Operating Lease	Finance Lease
2023	$ 37,519	$ 3,443
2024	38,759	-
2025	39,950	-
2026	41,148	-
2027	6,891	-
Total lease payments	164,267	3,443
Less: interest	(8,752)	(16)
Present value of lease liabilities	$ 155,515	$ 3,427

7. Net Assets with Donor Restrictions

Net assets with donor restrictions comprised the unspent portion of various restricted donations, which are restricted due to time or purpose, as shown below as of December 31:

	2022	2021
Children's health	$ 582,548	$ 483,717
Research	122,238	106,500
Early care and education	47,678	85,460
Left behind workers	8,119	8,119
Tax and budget issues	-	106,594
Total	$ 760,583	$ 790,390

8. Retirement Plan

The Organization sponsors a 401(k) Plan for eligible employees. The Organization's contribution to the Plan is 3% of compensation for employees that elected to contribute a minimum of 3% of compensation. The Organization's total contributions for the years ended December 31, 2022 and 2021 was approximately $18,000 and $17,000, respectively.

9. Employee Retention Credit

During 2022, the Organization conducted an analysis as to whether it was entitled to employee retention credits (ERC) under the CARES Act as amended by the Taxpayer Certainty and Disaster Tax Relief Act of 2020 and the American Plan Act of 2021. Based on the analysis, the Organization determined that it was entitled to an ERC of approximately $118,000 related to payroll under the applicable Internal Revenue Service regulations related to ERCs.

An entity recognizes government grants only when there is reasonable assurance that the entity will comply with the conditions attached to them and the grants will be received. During the year ended December 31, 2022, the Organization had received approximately $118,000 and recorded it in other activities in the statement of activities.

10. Related-Party Transactions

For the years ended December 31, 2022 and 2021, the Organization received donations from board members and members of management totaling approximately $12,000 and $22,000, respectively.