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TANNER

Accountants & Advisors



Utah Children dba Voices for Utah Children

Financial Statements

As of December 31, 2023 and 2022 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, 2023 and 2022, 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, 2023 and 2022, 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.

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 4, 2024

Statements of Financial Position

As of December 31,

Assets	2023	2022
Current assets:		
Cash and cash equivalents	\$ 394,686	\$ 288,507
Marketable securities	450,165	577,132
Receivables	25,749	11,900
Unconditional promise to give	-	24,124
Prepaid expenses	1,245	971
Total current assets	871,845	902,634
Operating lease right-of-use asset	121,494	153,980
Finance lease right-of-use asset, net	17,196	3,024
Property and equipment, net	11,929	9,343
Total assets	\$ 1,022,464	\$ 1,068,981
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 79,041	\$ 42,037
Accrued expenses	11,178	6,972
Current portion of operating lease liability	36,076	33,947
Current portion of finance lease liability	3,496	3,427
Total current liabilities	129,791	86,383
Operating lease liability, net of current portion	85,492	121,568
Finance lease obligation, net of current portion	13,504	-
Total liabilities	228,787	207,951
Net assets:		
Without donor restrictions	2,311	100,447
With donor restrictions	791,366	760,583
Total net assets	793,677	861,030
Total liabilities and net assets	\$ 1,022,464	\$ 1,068,981

Statements of Activities

For the Years Ended December 31,

	2023	2022
Change in net assets without donor restrictions:		
Revenues, support, and net investment income (loss):		
Contributions	\$ 168,081	\$ 90,833
Service revenue	61,552	93,873
Contributions and service revenue	229,633	184,706
Special events	15,000	-
Interest, dividends, and other income, net	23,618	29,904
Net realized and unrealized gain (loss) on investments	52,186	(191,192)
Total revenues, support, and net investment income	320,437	23,418
Net assets released from restrictions	768,675	781,103
Total revenues, support, net investment income, and reclassifications	1,089,112	804,521
Expenses:		
Program services:		
Tax and budget issues	180,694	335,768
Children's health	193,369	230,836
Early care and education	347,764	192,982
Immigrant and refugee policy	95,623	135,512
Advocacy	65,814	110,547
Research	105,212	81,982
Deferred action for childhood arrivals	-	73,529
Emergency Fund	19,056	-
Supporting services:		
Management and general	107,517	122,021
Fundraising	72,199	80,911
Total expenses	1,187,248	1,364,088
Other activities:		
Employee retention credit	-	117,980
Decrease in net assets without donor restrictions	(98,136)	(441,587)
Change in net assets with donor restrictions:		
Contributions	799,458	751,296
Net assets released from restrictions	(768,675)	(781,103)
Increase (decrease) in net assets with donor restrictions	30,783	(29,807)
Decrease in net assets	(67,353)	(471,394)
Net assets, beginning of the year	861,030	1,332,424
Net assets, end of the year	\$ 793,677	\$ 861,030

Statement of Functional Expenses

For the Year Ended December 31, 2023

	Program Services							Supporting Services			Total Expenses	
	Tax and Budget Issues	Children's Health	Early Care and Education	Immigrant and Refugee		Emergency Fund	Total Program Services	Management and General	Fundraising	Total Supporting Services		
				Policy	Advocacy					Research		Services
Salaries and benefits	\$ 154,324	\$ 124,049	\$ 296,359	\$ 81,103	\$ 55,638	\$ 91,179	\$ -	\$ 802,652	\$ 37,562	\$ 37,770	\$ 75,332	\$ 877,984
Professional fees	6,341	47,561	20,451	3,451	451	451	-	78,706	39,544	451	39,995	118,701
Advertising	864	-	-	-	-	5	-	869	-	3,737	3,737	4,606
Other	1,028	2,028	6,598	1,445	1,154	1,530	2,952	16,735	7,829	8,112	15,941	32,676
Rent	4,602	4,602	4,602	4,602	4,602	4,602	-	27,612	3,981	4,602	8,583	36,195
Travel	7,123	5,515	9,241	169	-	622	-	22,670	836	-	836	23,506
Event	-	3,196	4,113	-	-	-	-	7,309	2,962	12,973	15,935	23,244
Computers and subscriptions	4,077	2,978	3,459	2,722	2,334	3,148	-	18,718	7,308	3,361	10,669	29,387
Office supplies	866	2,685	1,510	1,406	314	564	16,104	23,449	2,979	468	3,447	26,896
Printing, copying, and postage	835	121	797	91	687	2,477	-	5,008	-	91	91	5,099
Telephone	634	634	634	634	634	634	-	3,804	488	634	1,122	4,926
Total expenses before depreciation and amortization	180,694	193,369	347,764	95,623	65,814	105,212	19,056	1,007,532	103,489	72,199	175,688	1,183,220
Depreciation and amortization	-	-	-	-	-	-	-	-	4,028	-	4,028	4,028
Total expenses included in the expense section on the statement of activities	\$ 180,694	\$ 193,369	\$ 347,764	\$ 95,623	\$ 65,814	\$ 105,212	\$ 19,056	\$ 1,007,532	\$ 107,517	\$ 72,199	\$ 179,716	\$ 1,187,248

See accompanying notes to financial statements.

Statement of Functional Expenses

For the Year Ended December 31, 2022

	Program Services							Supporting Services			Total Expenses	
	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
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.

Statements of Cash Flows

For the Years Ended December 31,

	2023	2022
Cash flows from operating activities:		
Decrease in net assets	\$ (67,353)	\$ (471,394)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation and amortization	4,028	2,745
Interest and dividends	(9,695)	(14,869)
Unrealized (gain) loss on marketable securities	(30,434)	183,403
Realized (gain) loss on marketable securities	(21,752)	7,789
Amortization of operating right-of-use asset	32,486	28,917
Amortization of finance right-of-use asset	4,587	2,686
Changes in operating assets and liabilities:		
Receivables	(13,849)	13,281
Unconditional promises to give	24,124	5,876
Prepaid expenses	(274)	(250)
Accounts payable	37,004	21,448
Accrued expenses	4,206	(862)
Operating lease liability	(33,947)	(27,382)
Net cash used in operating activities	<u>(70,869)</u>	<u>(248,612)</u>
Cash flows from investing activities:		
Purchases of marketable securities, net	(11,152)	(12,948)
Purchases of property and equipment	(6,614)	(3,320)
Sale of marketable securities	200,000	360,000
Net cash provided by investing activities	<u>182,234</u>	<u>343,732</u>
Cash flows from financing activities:		
Payments on finance lease liability	(5,186)	(3,574)
Net cash used in financing activities	<u>(5,186)</u>	<u>(3,574)</u>
Net change in cash and cash equivalents	106,179	91,546
Cash and cash equivalents, beginning of year	288,507	196,961
Cash and cash equivalents, end of year	<u>\$ 394,686</u>	<u>\$ 288,507</u>
Supplemental disclosure of non-cash investing and financing activities:		
Acquisition of finance lease right-of-use asset in exchange for finance lease liability	\$ 18,759	\$ -
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

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. This program was closed during the year ended December 31, 2023.

Left Behind Workers

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

Emergency Fund

Assist children in Utah who were without certain essentials such as clothing, food, and furniture.

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

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13" or "ASC 326"). ASU 2016-13 revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the net amount expected to be collected. During 2019, the FASB issued additional ASUs amending certain aspects of ASU 2016-13.

On January 1, 2023, the Company adopted the new accounting standard and all the related amendments using the modified retrospective method. The Company's adoption did not result in a significant impact to the opening balance of net assets and the comparative information has not been adjusted or restated. Results for reporting periods beginning after January 1, 2023, are presented under ASC 326.

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.

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, 2023 and 2022.

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

	2023	2022
Organization A	*	75%
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:

	2023	2022
Foundation A	24%	18%
Foundation B	19%	22%
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, 2023 and 2022, 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, 2023 and 2022, the Organization expensed advisory fees of \$6,474 and \$10,238, 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

Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for expected credit losses through a charge to earnings and a credit to a valuation allowance based on historical experience, current conditions, and reasonable and supportable forecasts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables. There have been no write offs or allowances as of and for the years ended December 31, 2023 and 2022.

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 statement of activities. Management determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and reasonable and supportable forecasts. Promises to give are written off when deemed uncollectable. As of December 31, 2023 and 2022, management has determined that an allowance for uncollectable promises to give was not required.

As of December 31, 2023 and 2022, the Organization had \$0 and \$24,124, 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, 2023 and 2022.

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 and 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 not included in the measurement of the right-of-use asset and lease liability as the Organization does 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 \$5,000 and \$83,000 for the years ended December 31, 2023 and 2022, 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, 2023 and 2022, 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 4, 2024, 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:

	2023	2022
Cash and cash equivalents	\$ 394,686	\$ 288,507
Marketable securities	450,165	577,132
Receivables	25,749	11,900
Unconditional promise to give	-	24,124
Total financial assets	870,600	901,663
Less amounts not available for general expenditure within one year:		
Funds subject to donor-imposed purpose restrictions	(791,366)	(760,583)
Financial assets available to meet cash needs for general expenditure within one year	\$ 79,234	\$ 141,080

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 significantly decreased its expenses, experiencing a decrease in net assets of \$67,353 as compared to a decrease in net assets of \$471,394 in 2022. The Organization plans to continue 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, 2023 totaling \$70,869.

3. Marketable Securities

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:

2023	Level 1	Level 2	Level 3	Total
Marketable securities:				
Corporate securities	\$ 258,745	\$ -	\$ -	\$ 258,745
REITs	15,764	-	-	15,764
US and Municipal Bonds	-	175,656	-	175,656
	\$ 274,509	\$ 175,656	\$ -	\$ 450,165

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

4. Property and Equipment

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

	2023	2022
Office equipment	\$ 28,253	\$ 21,639
Furniture and fixtures	5,272	5,272
	33,525	26,911
Less accumulated depreciation and amortization	(21,596)	(17,568)
	\$ 11,929	\$ 9,343

Depreciation and amortization expense on property and equipment for the years ended December 31, 2023 and 2022 was \$4,028 and \$2,745, respectively.

5. Leases

The Organization leases its office facilities and equipment under non-cancelable operating and finance leases, respectively. The finance lease assets are recorded net of accumulated amortization of \$7,273 and \$2,686 as of December 31, 2023 and 2022, respectively. Amortization expense under the finance leases for the year ended December 31, 2023 and 2022 was \$4,587 and \$2,686, respectively. Rent expense under the operating lease was \$32,486 and \$39,459 for the years ended December 31, 2023 and 2022, 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, 2023 was 3.2 years and 4.6 years, respectively. 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, 2023 was 2.6% and 4.4%, 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, 2023:

Year ending December 31:	Operating Lease	Finance Lease
2024	\$ 38,759	\$ 4,167
2025	39,949	4,167
2026	41,148	4,167
2027	6,892	4,167
2028	-	2,085
Total lease payments	126,748	18,753
Less: interest	(5,180)	(1,753)
Present value of lease liabilities	\$ 121,568	\$ 17,000

6. 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:

	2023	2022
Children's health	\$ 688,910	\$ 582,548
Research	93,348	122,238
Left behind workers	9,108	8,119
Early care and education	-	47,678
Total	\$ 791,366	\$ 760,583

7. 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, 2023 and 2022 was approximately \$19,000 and \$18,000, respectively.

8. 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.

9. Related-Party Transactions

For the years ended December 31, 2023 and 2022, the Organization received donations from board members and members of management totaling approximately \$20,600 and \$12,000, respectively.