

UTAH CHILDREN dba VOICES FOR UTAH CHILDREN



FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

As of and for the Years Ended December 31, 2024 and 2023



**UTAH CHILDREN dba
VOICES FOR UTAH CHILDREN**

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Independent Auditor's Report

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

Opinion

We have audited the financial statements of **Utah Children dba Voices for Utah Children** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Utah Children dba Voices for Utah Children** (the "Organization") as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's 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 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 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.

Auditor's 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 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 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 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 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.

Prior Period Financial Statements

The financial statements of the Organization as of December 31, 2023 were audited by other auditors whose report dated November 4, 2024 expressed an unmodified opinion on those financial statements.

A handwritten signature in black ink that reads "Larson & Company P.C." in a cursive script.

Salt Lake City, Utah
December 1, 2025

**UTAH CHILDREN dba
VOICES FOR UTAH CHILDREN**

Statements of Financial Position
As of December 31, 2024 and 2023

<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
Current assets:		
Cash and cash equivalents	\$ 419,538	\$ 394,686
Investments	493,275	450,165
Unconditional promises to give	225,000	-
Accounts receivable	27,633	25,749
Prepaid expenses and other assets	1,260	1,245
Total current assets	1,166,706	871,845
Operating right-of-use asset	85,444	121,494
Finance right-of-use asset	13,071	17,196
Property and equipment, net	13,204	11,929
Total assets	\$ 1,278,425	\$ 1,022,464
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 13,615	\$ 79,041
Accrued expenses	8,761	11,178
Operating lease liability, current portion	38,179	36,076
Finance lease liability, current portion	4,167	3,496
Total current liabilities	64,722	129,791
Operating lease liability, less current portion	47,265	85,492
Finance lease liability, less current portion	9,328	13,504
Total liabilities	121,315	228,787
Net assets:		
Without donor restrictions	(388,035)	2,311
With donor restrictions	1,545,145	791,366
Total net assets	1,157,110	793,677
Total liabilities and net assets	\$ 1,278,425	\$ 1,022,464

The accompanying notes to the financial statements are an integral part of these statements

**UTAH CHILDREN dba
VOICES FOR UTAH CHILDREN**

Statement of Activities
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, support, and gains:			
Contributions and grants	\$ 589,412	\$ 1,004,767	\$ 1,594,179
Service revenue	-	-	-
Contribution and service revenue	589,412	1,004,767	1,594,179
Special events	24,268	-	24,268
Other income (expense)	(245)	-	(245)
Interest income	30,874	-	30,874
Net realized investment gain	4,051	-	4,051
Net unrealized investment gain	24,392	-	24,392
Net assets released from restriction	250,988	(250,988)	-
Total revenues, support, and gains	923,740	753,779	1,677,519
Expenses:			
Programs and services:			
Tax and budget issues	76,942	-	76,942
Children's health	164,075	-	164,075
Early care and education	345,429	-	345,429
Immigrant and refugee policy	131,736	-	131,736
Advocacy	33,349	-	33,349
Research	77,805	-	77,805
Other	135,120	-	135,120
Total program services	964,456	-	964,456
Supporting services:			
Management and general	311,711	-	311,711
Fundraising	37,919	-	37,919
Total expenses	1,314,086	-	1,314,086
Total change in net assets	(390,346)	753,779	363,433
Net assets, beginning of year	2,311	791,366	793,677
Net assets, end of year	\$ (388,035)	\$ 1,545,145	\$ 1,157,110

The accompanying notes to the financial statements are an integral part of these statements

**UTAH CHILDREN dba
VOICES FOR UTAH CHILDREN**

Statement of Activities
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, support, and gains:			
Contributions and grants	\$ 168,081	\$ 799,458	\$ 967,539
Service revenue	61,552	-	61,552
Contribution and service revenue	229,633	799,458	1,029,091
Special events	15,000	-	15,000
Interest, dividends, and other income, net	23,618	-	23,618
Net realized investment gain	21,752	-	21,752
Net unrealized investment gain	30,434	-	30,434
Net assets released from restriction	768,675	(768,675)	-
Total revenues, support, and gains	1,089,112	30,783	1,119,895
Expenses:			
Programs and services:			
Tax and budget issues	180,694	-	180,694
Children's health	193,369	-	193,369
Early care and education	347,764	-	347,764
Immigrant and refugee policy	95,623	-	95,623
Advocacy	65,814	-	65,814
Research	105,212	-	105,212
Emergency fund	19,056	-	19,056
Total program services	1,007,532	-	1,007,532
Supporting services:			
Management and general	107,517	-	107,517
Fundraising	72,199	-	72,199
Total expenses	1,187,248	-	1,187,248
Total change in net assets	(98,136)	30,783	(67,353)
Net assets, beginning of year	100,447	760,583	861,030
Net assets, end of year	\$ 2,311	\$ 791,366	\$ 793,677

The accompanying notes to the financial statements are an integral part of these statements

**UTAH CHILDREN dba
VOICES FOR UTAH CHILDREN**
Statement of Functional Expenses
For the Year Ended December 31, 2024

	Program Services						Supporting Services		Total Expenses	
	Tax and Budget Issues	Children's Health	Early Care and Education	Immigrant and Refugee Policy	Advocacy	Research	Other	Management and General		Fundraising
Salaries and benefits	\$ 53,332	\$ 128,904	\$ 289,416	\$ 91,867	\$ 21,725	\$ 64,473	\$ 86,424	\$ 234,580	\$ -	\$ 970,721
Professional fees	10,343	9,383	30,174	9,583	883	552	28,257	47,087	6,274	142,536
Advertising	-	-	1,500	609	-	-	225	-	3,262	5,596
Other	143	3,236	2,198	3,641	1,366	931	597	9,861	8,597	30,570
Rent	6,206	6,206	6,206	6,206	6,206	3,879	1,939	1,939	-	38,787
Travel	2,858	7,360	2,254	9,643	-	1,912	-	32	787	24,846
Event	-	2,053	4,837	924	-	-	15,657	-	15,652	39,123
Computers and subscriptions	2,382	4,406	3,650	1,922	1,753	1,615	1,211	9,979	660	27,578
Office supplies	482	1,350	3,027	602	239	637	442	3,966	2,687	13,432
Printing, copying, and postage	360	341	341	443	341	3,284	107	107	-	5,324
Telephone	836	836	836	836	836	522	261	261	-	5,224
DACA renewal	-	-	990	5,460	-	-	-	-	-	6,450
Total expenses before depreciation and amortization	76,942	164,075	345,429	131,736	33,349	77,805	135,120	307,812	37,919	1,310,187
Depreciation and amortization	-	-	-	-	-	-	-	3,899	-	3,899
Total expenses included in the expense section on the statement of activities	\$ 76,942	\$ 164,075	\$ 345,429	\$ 131,736	\$ 33,349	\$ 77,805	\$ 135,120	\$ 311,711	\$ 37,919	\$ 1,314,086

The accompanying notes to the financial statements are an integral part of these statements

**UTAH CHILDREN dba
VOICES FOR UTAH CHILDREN**
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 Policy	Advocacy	Research	Emergency Fund	Management and General	Fundraising	
Salaries and benefits	\$ 154,324	\$ 124,049	\$ 296,359	\$ 81,103	\$ 55,638	\$ 91,179	\$ -	\$ 37,562	\$ 37,770	\$ 877,984
Professional fees	6,341	47,561	20,451	3,451	451	451	-	39,544	451	118,701
Advertising	864	-	-	-	-	5	-	-	3,737	4,606
Other	1,028	2,028	6,598	1,445	1,154	1,530	2,952	7,829	8,112	32,676
Rent	4,602	4,602	4,602	4,602	4,602	4,602	-	3,981	4,602	36,195
Travel	7,123	5,515	9,241	169	-	622	-	836	-	23,506
Event	-	3,196	4,113	-	-	-	-	2,962	12,973	23,244
Computers and subscriptions	4,077	2,978	3,459	2,722	2,334	3,148	-	7,308	3,361	29,387
Office supplies	866	2,685	1,510	1,406	314	564	16,104	2,979	468	26,896
Printing, copying, and postage	835	121	797	91	687	2,477	-	-	91	5,099
Telephone	634	634	634	634	634	634	-	488	634	4,926
Total expenses before depreciation and amortization	180,694	193,369	347,764	95,623	65,814	105,212	19,056	103,489	72,199	1,183,220
Depreciation and amortization	-	-	-	-	-	-	-	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	\$ 107,517	\$ 72,199	\$ 1,187,248

The accompanying notes to the financial statements are an integral part of these statements

**UTAH CHILDREN dba
VOICES FOR UTAH CHILDREN**

Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 363,433	\$ (67,353)
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation and amortization	3,899	4,028
Interest income	(30,874)	(9,695)
Unrealized (gain) loss on investments	(24,392)	(30,434)
Realized (gain) loss on investments	(4,051)	(21,752)
Amortization of finance right-of-use asset	4,125	4,587
Decrease (increase) in operating assets:		
Unconditional promises to give	(225,000)	24,124
Accounts receivable	(1,884)	(13,849)
Prepaid expenses and other assets	(15)	(274)
Operating right-of-use asset	36,050	32,486
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(67,843)	41,210
Lease liability - operating	(36,124)	(33,947)
Net cash flows from operating activities	17,324	(70,869)
Cash flows from investing activities:		
Cash paid for purchase of property and equipment	(5,174)	(6,614)
Proceeds from sale of investments	16,207	200,000
Cash paid for purchase of investments	-	(11,152)
Net cash flows from investing activities	11,033	182,234
Cash flows from financing activities:		
Payments made on finance lease obligations	(3,505)	(5,186)
Net cash flows from financing activities	(3,505)	(5,186)
Net change in cash and cash equivalents	24,852	106,179
Cash and cash equivalents, beginning of year	394,686	288,507
Cash and cash equivalents, end of year	\$ 419,538	\$ 394,686
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -
Non-cash investing and financing activities:		
Finance lease obligations recorded	\$ -	\$ 18,759

The accompanying notes to the financial statements are an integral part of these statements

UTAH CHILDREN dba VOICES FOR UTAH CHILDREN

Notes to the Financial Statements
As of and for the Years Ended December 31, 2024 and 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Utah Children dba Voices for Utah Children (the “Organization”) is a non-profit organization advocating 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 policy makers 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 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.

UTAH CHILDREN dba VOICES FOR UTAH CHILDREN

Notes to the Financial Statements
As of and for the Years Ended December 31, 2024 and 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The Organization prepares its financial statements on the accrual basis of accounting and follows accounting principles generally accepted in the United States for nonprofit organizations and reports information regarding its financial position and activities according to two classes of net assets, with donor restrictions and without donor restrictions, based upon the following criteria:

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 the designation of the Board of Directors.

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Concentrations of Credit Risk

The Organization maintains its cash balances at financial institutions. At times such balances may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

**UTAH CHILDREN dba
VOICES FOR UTAH CHILDREN**

Notes to the Financial Statements
As of and for the Years Ended December 31, 2024 and 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

The Organization's investments 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, 2024 and 2023, the Organization expensed advisory fees of **\$7,103** and \$6,474, 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.

Fair Value of Investments

Fair value is defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following hierarchy prioritizes the inputs to valuation methodologies used to measure fair value:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 – Valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Accounts Receivable

Accounts receivable 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, 2024 and 2023.

**UTAH CHILDREN dba
VOICES FOR UTAH CHILDREN**

Notes to the Financial Statements
As of and for the Years Ended December 31, 2024 and 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unconditional Promised 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, 2024 and 2023, management has determined that an allowance for uncollectable promises to give was not required. The Organization's unconditional promises to give are expected to be received in less than one year.

Property and Equipment

Property and equipment are stated at cost net of accumulated depreciation. Expenditures that increase values or extend useful lives are capitalized and routine maintenance and repairs are charged to expense in the year incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

<u>Assets</u>	<u>Useful Lives</u>
Office equipment	5 to 7 years
Leasehold improvements	5 years

Depreciation begins in the month of acquisition or when constructed or developed assets are ready for their intended use.

Long-lived Assets

The Organization reviews long-term assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Management does not believe impairments are present for the years ended December 31, 2024 and 2023.

UTAH CHILDREN dba VOICES FOR UTAH CHILDREN

Notes to the Financial Statements
As of and for the Years Ended December 31, 2024 and 2023

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Lease Agreements

The Organization leases certain office facilities and equipment for various terms under long-term, noncancelable operating lease and finance lease agreements. The leases expire at various dates through 2028. The Organization determines if an arrangement is a lease at inception and begins recording lease activity at the commencement date, which is generally the date in which the Organization takes possession of or controls the physical use of the asset. Right-of-use (“ROU”) assets and lease liabilities are recognized based on the present value of lease payments over the lease term. Operating lease expenses are recognized on a straight-line basis over the life of the lease and are typically recognized as lease or rent expense. Finance lease expenses are recognized as interest expense and amortization expense over the life of the lease.

The weighted-average discount rate is based on the discount rate implicit in the lease, or if the implicit rate is not readily determinable from the lease, then the Organization estimates an applicable incremental borrowing rate. The incremental borrowing rate is estimated using a risk-free rate.

ROU assets include amounts for scheduled rent increases and are reduced by the amount of lease incentives. The lease term includes the non-cancellable period of the lease and options to extend or terminate the lease when it is reasonably certain the Organization will exercise those options.

The Organization has elected to account for lease and non-lease components together as a single lease component in the measurement of ROU assets and lease liabilities. Variable lease payments are not included in the measurement of ROU assets and lease liabilities.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

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.

UTAH CHILDREN dba VOICES FOR UTAH CHILDREN

Notes to the Financial Statements
As of and for the Years Ended December 31, 2024 and 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and accordingly, no provision has been made for federal or state income tax provisions, assets or liabilities. The Financial Accounting Standards Board ("FASB") has provided guidance for how uncertain tax positions should be recognized, measured, and disclosed in the financial statements. Management has evaluated the Organization's tax positions and determined that there are no uncertain tax positions. Generally, tax years remain open to examination for three years from the date filed with the IRS.

Functional Allocation of Expenses

The costs of programs and supporting services have been summarized on a functional basis in the statement of activities. All direct costs are charged to the functional area they pertain to. Indirect costs are charged to the programs and supporting services based on estimates made by management, taking into account the nature of the expense and how it relates to the functional area. The Organization allocates expenses either by time and effort or by square footage depending on the nature of the expense. General and administrative costs include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Advertising Costs

All costs associated with advertising and promoting the Organization's goods and services are expensed in the year incurred. Advertising expense for the public sector was **\$5,596** and \$5,000 the years ended December 31, 2024 and 2023, respectively, these expenses are included in communications, public relations, and gifts, and gratuities in the statement of functional expenses.

**UTAH CHILDREN dba
VOICES FOR UTAH CHILDREN**

Notes to the Financial Statements
As of and for the Years Ended December 31, 2024 and 2023

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 balance sheet date, comprise the following:

	2024	2023
Cash and cash equivalents	\$ 419,538	\$ 394,686
Investments	493,275	450,165
Unconditional promises to give	225,000	-
Accounts receivable	27,633	25,749
Total financial assets	1,165,446	870,600
Less: net assets with donor restrictions	(1,545,145)	(791,366)
Financial assets available for general expenditures within one year	\$ (379,699)	\$ 79,234

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. The Organization plans 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.

3. INVESTMENTS

The Organization's investments consisted of the following as of December 31, 2024 and 2023:

	Fair Value Measurement			Total
	Level 1	Level 2	Level 3	
December 31, 2024				
Stocks	\$ 284,066	\$ -	\$ -	\$ 284,066
Real Estate Investment Trust	18,534	-	-	18,534
Bonds	-	190,675	-	190,675
Total investments	\$ 302,600	\$ 190,675	\$ -	\$ 493,275
December 31, 2023				
Stocks	\$ 258,745	\$ -	\$ -	\$ 258,745
Real Estate Investment Trust	15,764	-	-	15,764
Bonds	-	175,656	-	175,656
Total investments	\$ 274,509	\$ 175,656	\$ -	\$ 450,165

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VOICES FOR UTAH CHILDREN**

Notes to the Financial Statements
As of and for the Years Ended December 31, 2024 and 2023

4. PROPERTY AND EQUIPMENT

The cost and related accumulated depreciation and amortization of property and equipment as of December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Cost		
Office equipment	\$ 28,597	\$ 32,440
Leasehold improvements	<u>1,083</u>	<u>1,083</u>
Total cost of property and equipment	29,680	33,523
Accumulated depreciation and amortization	<u>(16,476)</u>	<u>(21,594)</u>
Total property and equipment, net	<u>\$ 13,204</u>	<u>\$ 11,929</u>

Depreciation and amortization expense was **\$3,899** and \$4,028 for the years ended December 31, 2024 and 2023, respectively.

5. LEASE AGREEMENTS

Total lease costs for the years ended December 31, 2024 and 2023, were as follows:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 38,786	\$ 32,486
Finance lease cost:		
Interest expense	677	395
Amortization of right-of-use assets	3,735	4,587

The following table summarizes the supplemental cash flow information for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	\$ 38,786	\$ 32,486
Financing cash flows for finance leases	\$ 3,505	\$ 4,587

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5. LEASE AGREEMENTS (Continued)

The following summarizes the weighted-average remaining lease term and weighted-average discount rate used:

	<u>2024</u>	<u>2023</u>
Weighted-average remaining lease term		
Operating leases	2.16 Years	3.25 Years
Finance leases	3.5 Years	4.5 Years
Weighted-average discount rate		
Operating leases	2.60%	2.60%
Finance leases	4.40%	4.40%

The future minimum lease payments under noncancelable operating and finance leases with terms greater than one year are listed below as of December 31, 2024:

	<u>Operating</u>	<u>Finance</u>
For the years ending December 31,		
2025	\$ 39,950	\$ 4,167
2026	41,148	4,167
2027	6,891	4,167
2028	-	2,084
Thereafter	-	-
Total lease payments	87,989	14,585
Less: present value discount	(2,545)	(1,090)
Present value of lease liabilities	\$ 85,444	\$ 13,495

6. NET ASSETS WITH DONOR RESTRICTIONS

The December 31, 2024 and 2023 net assets with donor restrictions included the following amounts:

	<u>2024</u>	<u>2023</u>
Tax and budget issues	\$ 98,059	\$ -
Children's health	1,134,834	688,910
Research	77,544	93,348
Communications	-	-
1999 collective	234,708	-
Left behind workers	-	9,108
Total net assets with donor restrictions	\$ 1,545,145	\$ 791,366

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Notes to the Financial Statements

As of and for the Years Ended December 31, 2024 and 2023

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, 2024 and 2023 was approximately **\$21,144** and \$19,000, respectively.

8. RELATED PARTY TRANSACTIONS

The Organization received donations from various board members and members of management. Donations received were **\$87,000** and \$20,600 during the years ended December 31, 2024 and 2023, respectively.

9. CONCENTRATIONS

The Organization is subject to a concentration of risk in its revenue and receivables. During the year ended December 31, 2024 approximately **11%** of the Organization's revenue came from one donor. As of December 31, 2024, approximately **100%** of the Organization's unconditional promises to give is from one donor. As of December 31, 2023 approximately 100% of the Organization's receivables is from one donor.

10. SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through the date of the independent auditor's report, which is the date the financial statements were available to be issued.