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# TANNER

Accountants & Advisors



## **CITIES STRONG FOUNDATION**

**Financial Statements  
As of and for the Year Ended December 31, 2024  
Together with Independent Auditors' Report**



# TANNER

## Independent Auditors' Report

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### **To the Board of Directors Cities Strong Foundation**

#### **Opinion**

We have audited the accompanying financial statements of Cities Strong Foundation (a nonprofit organization) (the Organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year 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 Cities Strong Foundation 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. 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 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.

#### **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.

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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.

*Tanner LLC*

July 3, 2025

## ***Statement of Financial Position***

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*As of December 31, 2024*

### **Assets**

Cash	\$	271,174
Receivables		<u>2,072</u>
Total assets	\$	<u>273,246</u>

### **Liabilities and Net Assets**

Accounts payable	\$	<u>21,000</u>
Total liabilities		<u>21,000</u>
Net assets:		
Without donor restrictions		202,246
With donor restrictions		<u>50,000</u>
Total net assets		<u>252,246</u>
Total liabilities and net assets	\$	<u>273,246</u>

## Statement of Activities

For the Year Ended December 31, 2024

### Change in net assets without donor restrictions:

#### Revenues and support:

Contributions	\$ 514,727
In-kind contributions of services	6,300
Total revenues and support	<u>521,027</u>

#### Expenses:

##### Program services:

Community improvement	156,869
Immigration	131,350
Education	7,500
Mental health	18,358

##### Supporting services:

Management and general	64,738
Fundraising	<u>11,868</u>

Total expenses	<u>390,683</u>
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Net increase in net assets without donor restrictions	<u>130,344</u>
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### Change in net assets with donor restrictions:

Contributions	<u>50,000</u>
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Net increase in net assets	180,344
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Net assets, beginning of the year	<u>71,902</u>
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Net assets, end of the year	<u>\$ 252,246</u>
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## Statement of Functional Expenses

For the Year Ended December 31, 2024

	Program Services					Supporting Services			
	Community Improvement	Immigration	Education	Mental Health	Total	Management and General	Fundraising	Total	Overall Total
Grants	\$ 55,000	\$ 131,350	\$ 7,500	\$ -	\$ 193,850	\$ -	\$ -	\$ -	\$ 193,850
Professional services	48,954	-	-	18,358	67,312	57,522	11,265	68,787	136,099
Equipment	27,510	-	-	-	27,510	-	-	-	27,510
Property repairs	25,346	-	-	-	25,346	-	-	-	25,346
Supplies	-	-	-	-	-	4,677	296	4,973	4,973
Other	59	-	-	-	59	2,539	307	2,846	2,905
Total	\$ 156,869	\$ 131,350	\$ 7,500	\$ 18,358	\$ 314,077	\$ 64,738	\$ 11,868	\$ 76,606	\$ 390,683

## ***Statement of Cash Flows***

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*For the Year Ended December 31, 2024*

**Cash flows from operating activities:**

Increase in net assets	\$ 180,344
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Decrease in receivables	1,696
Increase in accounts payable	<u>21,000</u>
Net cash provided by operating activities	<u>203,040</u>
Net change in cash	203,040
Cash at beginning of the year	<u>68,134</u>
Cash at end of the year	<u>\$ 271,174</u>

See accompanying notes to financial statements.

### **1. Organization and Summary of Significant Accounting Policies**

#### **Organization**

Cities Strong Foundation (the Organization) is a Utah nonprofit organization, founded in March 2023, for the purpose of uplifting communities along the Wasatch Front by revitalizing neighborhoods, enhancing educational opportunities, expanding mental health programs, assisting with legal immigration services, and lifting lives.

#### **Financial Statement 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 may be perpetual in nature, where the donor stipulates the funds be maintained in perpetuity.

#### **Estimates**

The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Concentration of Credit and Market Risk**

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

The Organization had two contributors that accounted for approximately 26% and 17% each of total revenues and support for the year ended December 31, 2024.

#### **Contributions**

Contributions received are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with measurable performance or other barriers, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Contributions are recorded as net assets without donor restrictions or net assets with 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. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a 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 donor restrictions.

#### **In-Kind Contributions**

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Services are valued at their estimated fair value determined by comparison to market rates for similar services.



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### ***Income Tax Status***

The Organization is exempt from income taxation under the provisions of Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose, if it were to exist, is subject to taxation as unrelated business income.

US GAAP requires management to evaluate tax positions taken by the Organization and recognize a tax liability if it has taken an uncertain position that more likely than not would not be sustained upon examination by the applicable taxing authorities. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2024, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

### ***Allocated Expenses***

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses.

### ***Subsequent Events***

The Organization has evaluated events occurring between the end of its most recent fiscal year and July 3, 2025, the date the financial statements were available to be issued.

## **2. Liquidity and Availability of Financial Resources**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following as of December 31, 2024:

Cash	\$	271,174
Receivables		2,072
Total		273,246
Less: net assets with donor restrictions		(50,000)
Financial assets available to be used within one year for general expenditure	\$	223,246

The Organization regularly monitors the liquidity required to meet its operating needs and other contractual commitments using budgets and cash flow projections. The Organization relies on contributions from donors to fund its operations.

## **3. Net Assets with Donor Restrictions**

As of December 31, 2024, net assets with donor restrictions of \$50,000 were available to support the Organization's Community Improvement program in a specified city.

## **4. Related-Party Transactions**

During the year ended December 31, 2024, board members made cash contributions to the Organization totaling approximately \$402,000. The Organization received an in-kind contribution of \$6,300 pertaining to accounting-related services provided by a member of the Board of Directors during 2024.