

**MOUNTAIN MEDIATION CENTER, INC.**

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**FINANCIAL STATEMENTS**

**With**

**INDEPENDENT AUDITOR'S REPORT**

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**as of December 31, 2025**

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**MOUNTAIN MEDIATION CENTER, INC.**  
**FINANCIAL STATEMENTS**  
AS OF DECEMBER 31, 2025

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## Report on the Audit of the Financial Statements

To the Board of Trustees of Mountain Mediation Center, Inc.

### **Opinion**

I have audited the financial statements of Mountain Mediation Center, Inc., which comprise the statement of financial position as of December 31, 2025, the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Mountain Mediation Center, Inc. as of December 31, 2025 and the related statements of activities, functional expenses and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

I conducted my 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. I am required to be independent of Mountain Mediation Center, Inc. and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Mountain Mediation Center, Inc.'s ability to continue as a going concern for the upcoming year ended December 31, 2026.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My 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 GAAS 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, I:

- 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 Mountain Mediation Center, Inc.'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mountain Mediation Center, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

*Huizenga & Co., PC*

Salt Lake City, Utah

March 2, 2026

**MOUNTAIN MEDIATION CENTER, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**as of December 31, 2025**

(See Independent Auditor's Report)

ASSETS

	2025	2024
Current assets:		
Cash and its equivalents	\$ 154,937	\$ 147,826
Short-term investments	159,633	50,329
Receivables	27,189	13,954
Total current assets	341,759	212,109
Property and equipment, at cost		
Computers, equipment and furniture	4,062	1,902
Total property and equipment	4,062	1,902
Less accumulated depreciation and amortization	(812)	-
Property and equipment, net	3,250	1,902
Total assets	\$ 345,009	\$ 214,011

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 3,510	\$ 3,410
Accrued payroll	6,890	8,054
Deferred revenue	108,800	-
Total current liabilities	119,200	11,464
Net assets:		
With donor restrictions	15,000	78,984
Without donor restrictions	210,809	123,563
Total net assets	225,809	202,547
Total liabilities and net assets	\$ 345,009	\$ 214,011

See notes to financial statements

**MOUNTAIN MEDIATION CENTER, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2025**

(See Independent Auditor's Report)

	<b>2025</b>			<b>2024</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Total</b>
Revenues, contributions and other support:				
Program service revenues				
Program contract revenue	\$ 81,713	\$ -	\$ 81,713	\$ 54,522
Seminar revenue	12,299	-	12,299	16,809
Mediation revenue	12,227	-	12,227	7,650
Total Program Service Revenues	<u>106,239</u>	<u>-</u>	<u>106,239</u>	<u>78,981</u>
Grants, contributions and other				
Contributions and Grants made in cash	118,623	57,954	176,577	256,758
In-kind revenue	19,085	-	19,085	17,640
Interest	3,699	-	3,699	1,297
Support released from usage, time, reporting and other restrictions	121,938	(121,938)	-	-
Total Grants, contributions and other support	<u>263,345</u>	<u>(63,984)</u>	<u>199,361</u>	<u>275,695</u>
Total revenue, gains and other support	<u>369,584</u>	<u>(63,984)</u>	<u>305,600</u>	<u>354,676</u>
Expenses:				
Program services:				
Eviction Prevention	111,539	-	111,539	98,864
Mediation Services	55,811	-	55,811	48,558
Training	58,273	-	58,273	51,657
Total program services	<u>225,623</u>	<u>-</u>	<u>225,623</u>	<u>199,079</u>
Management and general	30,789	-	30,789	18,698
Fundraising	25,926	-	25,926	20,353
Total expenses	<u>282,338</u>	<u>-</u>	<u>282,338</u>	<u>254,991</u>
Increase (Decrease) in net assets	87,246	(63,984)	23,262	99,685
Beginning of year	<u>123,563</u>	<u>78,984</u>	<u>202,547</u>	<u>102,862</u>
End of year	<u>\$ 210,809</u>	<u>\$ 15,000</u>	<u>\$ 225,809</u>	<u>\$ 202,547</u>

See notes to financial statements

**MOUNTAIN MEDIATION CENTER, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2025**

(See Independent Auditor's Report)

	<u>Program Services</u>			<u>Supporting Services</u>			
	<u>Eviction Prevention</u>	<u>Mediation Services</u>	<u>Training</u>	<u>Management &amp; general</u>	<u>Fundraising</u>	<u>2025 Total</u>	<u>2024 Total</u>
Compensation costs	\$ 90,637	\$ 52,782	\$ 51,930	\$ 12,969	\$ 22,610	230,928	\$ 219,101
Marketing, printing and technology	15,673	2,220	2,571	2,728	276	23,468	17,615
Professional services	-	-	-	10,607	-	10,607	9,994
Facilities and depreciation	3,369	376	10	736	85	4,576	3,685
Meeting costs	161	-	2,727	321	2,559	5,768	4,319
General and administrative costs	1,699	433	1,035	3,428	396	6,991	18,698
Total expenses	<u>\$ 111,539</u>	<u>\$ 55,811</u>	<u>\$ 58,273</u>	<u>\$ 30,789</u>	<u>\$ 25,926</u>	<u>\$ 282,338</u>	<u>\$ 254,991</u>

See notes to financial statements

**MOUNTAIN MEDIATION CENTER, INC.**  
**STATEMENT OF CASH FLOWS**  
**Year ended December 31, 2025**

(See Independent Auditor's Report)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash received from program service recipients	\$ 199,562	\$ 69,895
Cash received from contributors	176,576	265,934
Payments for compensation costs	(213,006)	(198,475)
Payments to vendors and suppliers	(48,257)	(32,496)
	<u>114,875</u>	<u>104,858</u>
Net cash used in operating activities		
Cash flows from investing activities:		
Purchase of equipment	(2,160)	(1,902)
Purchase of short term investments	(109,304)	(50,329)
Interest received	3,699	1,297
	<u>(107,765)</u>	<u>(50,934)</u>
Net cash provided by (used in) investing activities		
Net change in cash and its equivalents	7,111	53,924
Cash and its equivalents		
Beginning of year	<u>147,826</u>	<u>93,902</u>
End of year	<u>\$ 154,937</u>	<u>\$ 147,826</u>

Supplemental data for noncash operating, investing and financing activities:

In-kind revenues	\$ 19,085	\$ 17,640
In-kind expenses, allocated to program services	19,085	17,640

See notes to financial statements

**MOUNTAIN MEDIATION CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
AS OF DECEMBER 31, 2025

**(1) Summary of significant accounting policies**

**Organization-** Mountain Mediation Center (MMC) was incorporated in the State of Utah in 2004. MMC was established to provide alternative dispute resolution services, such as providing peaceful settlement of disputes and to prevent the escalation of conflict through mediation, facilitation, conciliation and training. Mediation services are provided by MMC staff and local volunteers including attorneys, social workers and others. Cases include disputes involving family, landlords-tenants, neighborhood and consumer issues.

**Basis of accounting-** MMC prepares its financial statements in accordance with accounting principles generally accepted in the United States of America for not-for-profit entities.

The financial statements report net assets and changes in net assets in two classes that categories: Those with donor restrictions and those without donor restrictions. These categories are determined based on restrictions placed upon resources provided to MMC by donors.

**Net Assets Without Donor Restrictions-** Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in it corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

**Net Assets With Donor Restrictions-** Net assets with donor restrictions are resources that are restricted by a donor for use. Net assets may be restricted by a donor for a particular purpose; until results are reported; due to the passage of time and other reasons. Donor-imposed restrictions are generally temporary in nature, and the restriction will expire when the resources satisfy the restriction(s). The organization's unspent contributions are included in this class if the donor limited their use. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

**Use of estimates -** The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of financial statements. On an ongoing basis, MMC's management evaluates the estimates and assumptions based on historical experience and various other factors and circumstances. MMC's management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

**Cash equivalents and short-term investments-** Cash and its equivalents include cash on hand, bank demand deposit accounts and money market accounts. Certificates of deposit with initial maturities of 3 months or longer are considered short-term investments. All investments are carried at their fair value and are unrestricted.

**Property and equipment -** Depreciation is provided using the straight-line method over 5 years. Property and equipment is recorded at cost, if purchased. Contributions of nonfinancial assets are recorded at list prices of new assets received and at highly discounted values for used assets received.

**(1) Summary of significant accounting policies - Continued**

**Compensated absences** - Compensated absences have not been accrued because they are not material.

**Deferred Revenue** - Cash collected prior to yearend for events or programs to be conducted in subsequent years are recorded as deferred revenue. In 2025, MMC received a grant for \$100,000 and \$8,800 for an early contract payment which MMC has set aside for future use.

**Revenue Classification** - Contributions are classified as those with donor restrictions or those without donor restrictions, as appropriate. Contributions without donor-imposed restrictions are reported as unrestricted support. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted.

**In-Kind Revenue and Expense** - In-kind revenue and expense is recorded at the fair market value in the period it is received. In-kind revenue and expense consists of the value of contributed time from volunteers.

**Income tax Status-** MMC filed its application to be treated as a 501(c)(3) organization soon after its 2004 incorporation. The Internal Revenue Service provided MMC a determination letter effective April 4 2004 which exempts MMC from federal income taxes for services it provides under its tax-exempt mission. MMC is liable for taxes on unrelated business income it may generate. To date, all of the net income MMC has generated is exempt from taxation.

**Liquidity management** - As part of MMC's liquidity management, it invests cash in excess of monthly requirements in one money market account and one CD. MMC's financial assets available within one year of the balance sheet date for general expenditures are its current assets of \$341,760.

**Subsequent Events** - Management has evaluated subsequent events through March 2, 2026, the date the financial statements were available to be issued.

**(2) Concentrations**

Financial instruments which potentially subject MMC to concentrations of credit risk consist principally of cash and its equivalents and short-term investments. MMC maintains these financial instruments with what the Board of Trustees believes to be high credit quality financial institutions. During 2025 and 2024, MMC's cash and equivalents and short-term investments were insured within the FDIC's limits.

MMC obtained grants and contributions from private foundations and individuals, contract revenues from government entities, in-kind and other revenues. Sources that represent 10% or more of MMC's revenue in 2025 or 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Foundation A	13.1%	22.5%
Contract B	14.3%	8.8%
Contract C	12.4%	6.4%

**(3) Leases**

MMC adopted the provisions of Topic 842, Leases, and its related codifications in 2022. MMC annually reviews its business arrangements to determine the existence of operating leases and embedded leases that would require capitalization. MMC has no business arrangements that would be considered leases requiring capitalization. MMC paid office rent of \$3,600 and \$3,600 during 2025 and 2024, respectively.

**(4) Net assets with donor restrictions**

Net assets with donor restrictions at December 31 consist of:

	<u>2025</u>	<u>2024</u>
Donations restricted by donor spending requirements	\$ -	\$ 78,984
Donation restricted by reporting requirements	<u>15,000</u>	<u>-</u>
Total	<u>\$ 15,000</u>	<u>\$ 78,984</u>