



Financial Statements  
December 31, 2020 and 2019

**Utah Nonprofits Association, Inc.**

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## Independent Accountant's Review Report

The Board of Directors  
Utah Nonprofits Association, Inc.  
Salt Lake City, Utah

We have reviewed the accompanying financial statements of Utah Nonprofits Association, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Eide Bailly LLP*

Salt Lake City, Utah  
September 10, 2021

Utah Nonprofits Association, Inc.  
 Statements of Financial Position  
 December 31, 2020 and 2019

	2020	2019
Assets		
Current Assets		
Cash and cash equivalents	\$ 469,077	\$ 386,244
Accounts receivable, including promises to give	10,284	12,869
Investments - certificates of deposit	78,635	77,512
Other current assets	850	925
Total current assets	558,846	477,550
Beneficial Interest In Assets Held By CFU	99,819	-
Certificates of Deposit, Net of Current Portion	15,914	15,612
Property and equipment, net	8,333	12,500
Other Assets	800	800
	\$ 683,712	\$ 506,462
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 1,410	\$ 4,934
Accrued liabilities	96,046	44,237
Deferred membership dues	52,974	62,899
Paycheck Protection Program loan	35,500	-
Total current liabilities	185,930	112,070
Net Assets		
Without donor restrictions	446,832	381,892
With donor restrictions	50,950	12,500
Total net assets	497,782	394,392
	\$ 683,712	\$ 506,462

Utah Nonprofits Association, Inc.  
 Statements of Activities  
 Years Ended December 31, 2020 and 2019

	2020	2019
Net Assets without Donor Restrictions		
Revenue, Support, and Gains		
Grants	\$ 160,650	\$ 145,555
Seminars	46,955	80,363
Membership dues	134,780	141,630
Donations	67,084	48,770
Interest	3,433	4,009
Other	5,700	4,172
Net assets released from restrictions	10,000	29,500
Total revenue, support, and gains	428,602	453,999
Expenses		
Program services		
Training, seminars, advocacy and events	281,688	311,755
Supporting services		
Management and general	72,614	61,538
Fundraising	9,360	7,191
Total supporting services expenses	81,974	68,729
Total expenses	363,662	380,484
Change in Net Assets Without Donor Restrictions	64,940	73,515
Net Assets with Donor Restrictions		
Grants and donations	48,450	-
Net assets released from restrictions	(10,000)	(29,500)
Change in Net Assets with Donor Restrictions	38,450	(29,500)
Change in Net Assets	103,390	44,015
Net Assets, Beginning of Year	394,392	350,377
Net Assets, End of Year	\$ 497,782	\$ 394,392

Utah Nonprofits Association, Inc.  
Statement of Functional Expenses  
Year Ended December 31, 2020

	Program Services				Management and General	Fundraising and Development	Total
	Seminars and Advocacy	Events	Training	Total			
Salaries and wages	\$ 100,079	\$ 27,135	\$ 83,843	\$ 211,057	\$ 41,287	\$ 1,118	\$ 253,462
Professional services	10,209	122	1,174	11,505	8,444	7,991	27,940
Office expenses	2,633	335	2,153	5,121	2,121	32	7,274
Facility and equipment	6,989	2,244	6,945	16,178	14,542	182	30,902
Travel and meeting expenses	40	114	354	508	218	-	726
Insurance	989	88	848	1,925	237	5	2,167
Administrative	3,436	306	2,947	6,689	921	17	7,627
Depreciation	-	-	-	-	4,167	-	4,167
Contract services	2,367	9,971	16,367	28,705	677	15	29,397
<b>Total expenses</b>	<b>\$ 126,742</b>	<b>\$ 40,315</b>	<b>\$ 114,631</b>	<b>\$ 281,688</b>	<b>\$ 72,614</b>	<b>\$ 9,360</b>	<b>\$ 363,662</b>

Utah Nonprofits Association, Inc.  
Statement of Functional Expenses  
Year Ended December 31, 2019

	Program Services				Management and General	Fundraising and Development	Total
	Seminars and Advocacy	Events	Training	Total			
Salaries and wages	\$ 96,929	\$ 10,607	\$ 79,392	\$ 186,928	\$ 35,407	\$ 730	\$ 223,065
Professional development	355	149	341	845	69	14	928
Professional services	11,535	1,717	4,273	17,525	8,962	5,667	32,154
Office expenses	3,761	1,720	3,828	9,309	1,496	181	10,986
Facility and equipment	8,411	3,887	8,619	20,917	12,340	394	33,651
Travel and meeting expenses	586	587	4,917	6,090	2,028	16	8,134
Insurance	743	358	983	2,084	179	37	2,300
Administrative	2,748	1,317	3,031	7,096	791	125	8,012
Contract services	3,081	36,843	21,037	60,961	266	27	61,254
 Total expenses	 <u>\$ 128,149</u>	 <u>\$ 57,185</u>	 <u>\$ 126,421</u>	 <u>\$ 311,755</u>	 <u>\$ 61,538</u>	 <u>\$ 7,191</u>	 <u>\$ 380,484</u>

Utah Nonprofits Association, Inc.  
 Statements of Cash Flows  
 Years Ended December 31, 2020 and 2019

	2020	2019
Operating Activities		
Change in net assets	\$ 103,390	\$ 44,015
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	4,167	-
Change in assets and liabilities		
Accounts receivable, including promises to give	2,585	12,987
Other assets	75	819
Deposit on services - software development	-	(12,500)
Accounts payable	(3,524)	(1,275)
Accrued liabilities	51,809	3,524
Deferred membership dues	(9,925)	3,339
Net Cash from Operating Activities	148,577	50,909
Investing Activities		
Increase in beneficial interest in assets held by CFU	(99,819)	-
Increase in certificates of deposit	(1,425)	(1,713)
Net Cash used for Investing Activities	(101,244)	(1,713)
Financing Activities		
Paycheck Protection Program Loan	35,500	-
Net Cash from Financing Activities	35,500	-
Net Change in Cash and Cash Equivalents	82,833	49,196
Cash and Cash Equivalents, Beginning of Year	386,244	337,048
Cash and Cash Equivalents, End of Year	\$ 469,077	\$ 386,244



## **Note 1 - Principal Activity and Significant Accounting Policies**

### **Organization**

The Utah Nonprofits Association, Inc. (the Organization) is a nonprofit corporation operating exclusively for charitable and educational purposes to strengthen the nonprofit community in Utah. The Organization enables member organizations to fulfill their missions more efficiently and effectively by providing educational and networking opportunities.

The Organization's mission is to unify, strengthen and elevate Utah's nonprofits.

### **Financial Instruments and Credit Risk**

Deposit concentration risk is managed by placing cash and certificates of deposit with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, the Organization has not experienced losses in any of these accounts.

### **Cash and Cash Equivalents**

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

### **Receivables and Credit Policies**

Accounts receivable consist primarily of noninterest-bearing amounts due for program services or promises to give. The Organization determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are expected to be received in full within the next year. An allowance for doubtful accounts has not been established at December 31, 2020 and 2019, because management believes that all accounts receivable will be fully collected. Additionally, restitution has been paid to UNA in an insignificant amount for several years from a late 1990s fraud incident. Payments are booked to revenue when received but there is a 100% allowance for the amount owed since it is uncertain whether UNA will be paid back the full amount. UNA wishes to be transparent about this matter and recently discovered that it had not previously been disclosed in the financial statements.

### **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 discounts is included in contribution revenue in the statements of activities. Promises to give are expected to be received in full within the next year. The Organization determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At December 31, 2020 and 2019, management considers all promises to give to be collectible; therefore, no allowance has been recorded.

### **Property and Equipment**

The Organization records property and equipment additions at cost or, if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets of three to five years. When assets are sold or otherwise disposed of, the cost and related depreciation is removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2020 and 2019. The Organization's property and equipment, net of accumulated depreciation was \$8,333 and \$12,500 at December 31, 2020 and 2019.

### **Beneficial Interest in Assets Held by Recipient Organization**

The Community Foundation of Utah (CFU) is the recipient organization that holds an endowment fund for the benefit of the Organization (see Note 5). As CFU has not been granted variance power, that is, the unilateral power to redirect the use of the transferred assets to another beneficiary, the Organization recognizes its rights to the assets and adjusts that interest for its share of the change in net assets of CFU related to the transferred assets in accordance with generally accepted accounting principles (GAAP).

### **Investments**

The Organization records investment purchases at cost or, if donated, at fair value on the date of donation. Thereafter, investments are reported at fair value in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest less external and direct internal investment expenses. At December 31, 2020 and 2019, certificates of deposit not considered cash or cash equivalents totaled \$94,549 and \$93,124, respectively. These investments were purchased as a method of diversification and to obtain improved interest earnings on deposits.

### **Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets with Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

### **Revenue and Revenue Recognition**

The Organization recognizes revenue from seminars, events and trainings at the time of the event. During the years ended December 31, 2020 and 2019, the Organization recorded seminars revenue totaling \$46,955 and \$80,363, respectively, at a point in time. Membership dues, which are nonrefundable, are comprised of an exchange element based on the value of benefits provided. The Organization recognizes membership dues (which the Organization considers to entirely be an exchange transaction) over the membership period (typically 1 year). During the years ended December 31, 2020 and 2019, the Organization recorded membership revenue totaling \$134,780 and \$141,630, respectively, over a period of time. Deferred membership dues were \$52,974 and \$62,899 at December 31, 2020 and 2019, respectively, and \$59,560 at January 1, 2019.

The Organization recognizes contribution revenue when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. At December 31, 2020 and 2019, the Organization did not have any conditional contributions.

### **Membership Dues**

Membership dues are received from members in exchange for certain membership benefits. Membership benefits received are recognized ratably over the term of the membership period for the portion of the dues that management estimates relate to an exchange transaction. Any portion considered to represent a contribution is recognized when received or unconditionally promised to the Organization. Amounts not yet recognized as membership dues are reflected as deferred membership dues in the statements of financial position.

### **Donated Services and In-Kind Contributions**

Volunteers contribute time to the Organization's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. The Organization records donated professional services at the respective fair values of the services received.

### **Functional Allocation of Expenses**

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 the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include facility and equipment and depreciation, which are allocated on a square footage basis, as well as salaries and wages, professional development, professional services, office expenses, facility and equipment, travel and meeting expenses, insurance, contract services and administrative, which are allocated on the basis of estimates of time and effort.

### **Income Taxes**

The Organization is organized as a Utah nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), that qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a)(1). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose.

The Organization has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS. The Organization believes that it has appropriate support for any tax positions taken affecting its annual filing requirements and, as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

**Note 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 statement of financial position date, comprise the following:

	2020	2019
Cash and cash equivalents	\$ 367,217	\$ 258,109
Accounts receivable including promises to give	(6,916)	856
Investments - certificates of deposits	94,549	91,411
	\$ 454,850	\$ 350,376

As part of a liquidity management plan, cash in excess of daily requirements is invested in short-term investments, CDs, and money market funds. Occasionally, the Board of Directors designates a portion of any operating surplus to its operating reserve. At December 31, 2020 and 2019, cash and cash equivalents are reduced by \$60,610 and \$63,414, respectively, representing the Board of Director’s operating reserve, which can be used for general expenditure within one year of the statement of financial position date with Board approval.

The Organization has also invested \$99,819 at December 31, 2020 with CFU (Note 5). These funds were transferred to achieve an investment return and to aid in soliciting other donations to the Organization through CFU but could be repurposed, if necessary.

**Note 3 - Utah Philanthropy Day**

The Organization has an agreement with the Association of Fundraising Professionals (AFP) Utah Chapter and U-ServeUtah to sponsor the annual Utah Philanthropy Day event. The event is coordinated by a group of volunteers from these organizations. In 2020, net proceeds from the event are shared equally by the Organization, AFP, and UServeUtah while net proceeds from the event were shared equally by the Organization and AFP in 2019. The Organization recognized support of \$38,341 and \$32,696 related to this event for 2020 and 2019, respectively. These amounts represent 33.33% and 50% of the net proceeds generated by the event in December 31, 2020 and 2019, respectively.

At December 31, 2020 and 2019, the Organization had an accrued liability to AFP of \$44,194 and \$34,887 and an accrued liability to UServeUtah of \$44,194 and \$0, respectively, representing their remaining share of the net proceeds.

**Note 4 - Paycheck Protection Program (PPP) Loan**

The Organization was granted a \$35,500 loan under the PPP administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the federal government. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The Organization recorded a note payable and will record the forgiveness upon being legally released from the loan obligation by the SBA. No forgiveness income has been recorded for the year ended December 31, 2020. The Organization will be required to repay any remaining balance, plus interest accrued at 1.00% in monthly payments through the maturity date in April 2022. Subsequent to December 31, 2020 the PPP loan has been fully forgiven.

**Note 5 - Beneficial Interest in Assets Held By CFU**

In 2020, a fund from net assets without donor restrictions was established with Community Foundation of Utah (CFU). CFU is responsible for the investment and administration of the fund and the earnings are to be used to benefit the Organization. The Organization does not believe that CFU has variance power as defined by GAAP and, therefore, records its interest in the changes in the net assets of CFU related to this investment.

At December 31, 2020, the Organization has recorded \$99,819 as its interest in the net assets of CFU relating to this investment. Investments maintained by CFU on behalf of the Organization are carried at fair value and realized and unrealized gains and losses are reflected in the statement of activities.

Account activity for the years ended December 31, 2020, is reflected in the following table:

Interest in the net assets held by CFU, beginning of year	\$ -
Deposits by the Organization	100,000
Investment returns (net of expenses)	
Dividends and interest	176
Net realized and unrealized gains and losses	694
Expenses	<u>(1,051)</u>
Interest in the net assets held by CFU, end of year	<u>\$ 99,819</u>

**Note 6 - Net Assets with Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes at December 31, 2020 and 2019:

	2020	2019
Credential program	\$ 41,250	\$ -
Promises to give, the proceeds from which have been restricted by donors for In-kind rent sponsorship	9,700	12,500
	\$ 50,950	\$ 12,500

**Note 7 - Leases**

The Organization leases its office space under an operating lease which expires in December 2021. The terms of the lease state that after expiration the lease will continue on a month-to-month basis. Future minimum lease payments for the year ended December 31, 2021 total \$2,400.

Total lease expense was \$22,000 and \$19,600 for the years ended December 31, 2020 and 2019, respectively. The Organization has agreed to provide a sponsorship to the lessor with a value of \$10,000 annually in exchange for the reduced lease rates noted above. The value of the benefit provided to the lessor is recorded as in-kind rent expense and donations in the accompanying statements of activities. In addition, the lessor agreed to waive the Organization's cash rent for a one-year period from October 2020 to September 2021. In connection with this waiver, the Organization recorded in-kind revenue totaling \$9,600 during the year ended December 31, 2020, representing the lessor's unconditional promise to provide this rent benefit. The associated rent expense is being recorded on a monthly basis as the space is used.

**Note 8 - Employee Benefit Plan**

The Organization has a savings incentive match plan for employees (SIMPLE). The Organization provides matching contributions of 3%. Matching contributions for the years ended December 31, 2020 and 2019, were \$6,456 and \$5,410, respectively.

## Note 9 - Fair Value Measurements

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's assessment of the quality, risk or liquidity profile of the asset or liability.

The fair value of the Organization's beneficial interest in assets held by CFU is based on the fair value of fund investments as reported by CFU. These are considered to be Level 3 measurements.



The following table presents assets measured at fair value on a recurring basis at December 31, 2020:

Assets	Fair Value of Measurements at Reporting Date Using			Total
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Beneficial interest in assets held by CFU	\$ -	\$ -	\$ 99,819	\$ 99,819

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended December 31, 2020:

	Beneficial Interest in Assets Held by CFU
Balance at December 31, 2019	\$ -
Purchases/contributions of investments	100,000
Investment return, net	(181)
Balance at December 31, 2020	<u>\$ 99,819</u>

### Note 10 - Subsequent Events

In April 2021, the PPP loan of \$35,500, disclosed further in Note 4, was forgiven. In addition, all interest on the loan was also forgiven.

Management has evaluated subsequent events through September 10, 2021, the date the financial statements were available to be issued.