



Financial Statements  
December 31, 2019 and 2018

**Utah Nonprofits Association, Inc.**

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Financial Statements

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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, 2019 and 2018, 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.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Salt Lake City, Utah  
July 23, 2020

Utah Nonprofits Association, Inc.  
 Statements of Financial Position  
 December 31, 2019 and 2018

	2019	2018
Assets		
Current Assets		
Cash and cash equivalents	\$ 386,244	\$ 337,048
Accounts receivable, including promises to give	12,869	25,856
Investments - certificates of deposit	77,512	76,143
Other current assets	925	1,744
Total current assets	477,550	440,791
Long-Term Investments - Certificates of Deposit	15,612	15,268
Deposit on Services - Software Development	12,500	-
Other Assets	800	800
	\$ 506,462	\$ 456,859
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 5,124	\$ 6,399
Accrued liabilities	44,047	40,523
Deferred membership dues	62,899	59,560
Total current liabilities	112,070	106,482
Net Assets		
Without donor restrictions	381,892	308,377
With donor restrictions	12,500	42,000
Total net assets	394,392	350,377
	\$ 506,462	\$ 456,859

Utah Nonprofits Association, Inc.  
 Statements of Activities  
 Years Ended December 31, 2019 and 2018

	2019	2018
Net Assets without Donor Restrictions		
Revenue, Support, and Gains		
Grants	\$ 145,555	\$ 112,299
Seminars	80,363	80,781
Membership dues	141,630	134,186
Donations, including in-kind donations of \$14,460 and \$22,500	48,770	86,091
Interest	4,009	1,552
Other	4,172	980
Net assets released from restrictions	29,500	16,056
Total revenue, support, and gains	453,999	431,945
Expenses		
Program services		
Training, seminars, advocacy and events	311,755	280,441
Supporting services		
Management and general	61,538	79,160
Fundraising	7,191	12,030
Total supporting services expenses	68,729	91,190
Total expenses	380,484	371,631
Change in Net Assets Without Donor Restrictions	73,515	60,314
Net Assets with Donor Restrictions		
Grants	-	49,500
Net assets released from restrictions	(29,500)	(16,056)
Change in Net Assets with Donor Restrictions	(29,500)	33,444
Change in Net Assets	44,015	93,758
Net Assets, Beginning of Year	350,377	256,619
Net Assets, End of Year	\$ 394,392	\$ 350,377

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 included in the expense section on the statement of activities	<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.

Statement of Functional Expenses

Year Ended December 31, 2018

	Program Services				Management and General	Fundraising and Development	Total
	Seminars and Advocacy	Events	Training	Total			
Salaries and wages	\$ 95,086	\$ 27,690	\$ 25,641	\$ 148,417	\$ 36,148	\$ 2,644	\$ 187,209
Professional development	345	146	147	638	92	17	747
Professional services	9,280	2,310	2,845	14,435	8,434	8,046	30,915
Office expenses	4,402	3,629	2,700	10,731	-	18	10,749
Facility and equipment	11,835	7,798	7,459	27,092	13,802	999	41,893
Travel and meeting expenses	1,228	606	4,478	6,312	3,191	13	9,516
Insurance	843	365	563	1,771	407	67	2,245
Administrative	3,045	1,152	1,595	5,792	15,469	188	21,449
Contract services	6,584	39,811	18,858	65,253	1,617	38	66,908
Total expenses included in the expense section on the statement of activities	<u>\$ 132,648</u>	<u>\$ 83,507</u>	<u>\$ 64,286</u>	<u>\$ 280,441</u>	<u>\$ 79,160</u>	<u>\$ 12,030</u>	<u>\$ 371,631</u>

Utah Nonprofits Association, Inc.  
 Statements of Cash Flows  
 Years Ended December 31, 2019 and 2018

	2019	2018
Operating Activities		
Change in net assets	\$ 44,015	\$ 93,758
Adjustments to reconcile change in net assets to net cash from operating activities		
Change in assets and liabilities		
Accounts receivable, including promises to give	12,987	(22,816)
Other assets	819	2,082
Deposit on services - software development	(12,500)	-
Accounts payable	(1,275)	1,630
Accrued liabilities	3,524	24,073
Deferred membership dues	3,339	9,426
Net Cash from Operating Activities	50,909	108,153
Investing Activities		
Increase in certificates of deposit	(1,713)	(1,074)
Net Cash used for Investing Activities	(1,713)	(1,074)
Net Change in Cash and Cash Equivalents	49,196	107,079
Cash and Cash Equivalents, Beginning of Year	337,048	229,969
Cash and Cash Equivalents, End of Year	\$ 386,244	\$ 337,048



## **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. 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, 2019 and 2018, because management believes that all accounts receivable will be fully collected.

### **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, 2019 and 2018, 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, 2019 and 2018. The Organization's property and equipment, net of accumulated depreciation was \$0 at December 31, 2019 and 2018.

### **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 in interest and consists of interest. At December 31, 2019 and 2018, certificates of deposit not considered cash or cash equivalents totaled \$93,124 and \$91,411, 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 event. During the years ended December 31, 2019 and 2018, the Organization recorded seminars revenue totaling \$80,363 and \$80,781, 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, 2019 and 2018, the Organization recorded membership revenue totaling \$141,630 and \$134,186, respectively, over a period of time. Deferred membership dues were \$62,899 and \$59,560 at December 31, 2019 and 2018, respectively, and \$50,134 at December 31, 2017.

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, 2019 and 2018, 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 significant amounts of 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 occupancy 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.

### **Adoption of Recent Accounting Pronouncement**

The Organization has adopted Accounting Standards Update (ASU) No. 2014-09 - *Revenue from Contracts with Customers (Topic 606)*, as amended as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

### **Adoption of FASB Accounting Standards Update 2018-08**

The Organization has implemented ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, to clarify and improve the scope and the accounting guidance for contributions received and contributions made. This standard assists the entity in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Organization has implemented the provisions of ASU 2018-08 applicable to contributions received in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with the implementation of ASU 2018-08.

**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:

	2019	2018
Cash and cash equivalents	\$ 322,830	\$ 258,109
Accounts receivable including promises to give	369	856
Investments - Certificates of Deposits	93,124	91,411
	\$ 416,323	\$ 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, 2019 and 2018, cash and cash equivalents are reduced by \$63,414 and \$61,939, respectively, representing the Board of Director's operating reserve.

**Note 3 - Utah Philanthropy Day**

The Organization has an agreement with the Association of Fundraising Professionals (AFP) Utah Chapter and U-Serve Utah to sponsor the annual Utah Philanthropy Day event. The event is coordinated by a group of volunteers from these organizations. Net proceeds from the event are shared equally by the Organization and AFP. The Organization recognized support of \$32,696 and \$32,300 related to this event for 2019 and 2018, respectively. These amounts represent 50% of the net proceeds generated by the event.

At December 31, 2019 and 2018, the Organization had an accrued liability to AFP of \$34,887 and \$32,465, respectively, representing its remaining share of the net proceeds.

**Note 4 - Net Assets with Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes at December 31, 2019 and 2018:

	2019	2018
Credential program	\$ -	\$ 17,000
Promises to give, the proceeds from which have been restricted by donors for		
In-kind rent sponsorship	12,500	22,500
Conference	-	2,500
	\$ 12,500	\$ 42,000

**Note 5 - Leases**

The Organization leases its office space under an operating lease which expires in March 2021. The terms of the lease state that after expiration the lease will continue on a month-to-month basis. Future minimum lease payments are as follows:

<u>Years Ending December 31,</u>	
2020	9,600
2021	<u>2,400</u>
	<u>\$ 12,000</u>

Total lease expense was \$19,600 and \$26,064 for the years ended December 31, 2019 and 2018, 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.

**Note 6 - 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, 2019 and 2018, were \$5,410 and \$4,080, respectively.

**Note 7 - Subsequent Events**

**General Operations**

Subsequent to year-end, the outbreak of the novel Coronavirus pandemic, or Covid-19, has significantly increased risk and uncertainties in the global economy including the community in which the Organization operates. The financial effect of Covid-19 on the Organization is currently under evaluation.

Management has evaluated subsequent events through July 23, 2020, the date the financial statements were available to be issued.