



Financial Statements
December 31, 2018 and 2017

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, 2018 and 2017, 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 cursive script that reads "Eide Bailly LLP".

Salt Lake City, Utah
July 2, 2019

Utah Nonprofits Association, Inc.
 Statements of Financial Position
 December 31, 2018 and 2017

	2018	2017
Assets		
Current Assets		
Cash and cash equivalents	\$ 337,048	\$ 229,969
Accounts receivable, including promises to give	25,856	3,040
Investments - certificates of deposit	76,143	75,268
Other current assets	1,744	2,517
Total current assets	440,791	310,794
Long-Term Investments - Certificates of Deposit	15,268	15,069
Other Assets	800	2,109
	\$ 456,859	\$ 327,972
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 6,399	\$ 4,769
Accrued liabilities	40,523	16,450
Deferred membership dues	59,560	50,134
Total current liabilities	106,482	71,353
Net Assets		
Without donor restrictions	308,377	248,063
With donor restrictions	42,000	8,556
Total net assets	350,377	256,619
	\$ 456,859	\$ 327,972

Utah Nonprofits Association, Inc.

Statements of Activities

Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Net Assets without Donor Restrictions		
Revenue, Support, and Gains		
Grants	\$ 112,299	\$ 135,112
Seminars	80,781	72,691
Membership dues	134,186	137,585
Donations, including in-kind donations of \$14,460 and \$22,500	86,091	37,362
Interest	1,552	720
Other	980	639
Net assets released from restrictions	<u>16,056</u>	<u>16,000</u>
Total revenue, support, and gains	<u>431,945</u>	<u>400,109</u>
Expenses		
Program services		
Training, seminars, advocacy and events	280,441	284,571
Supporting services		
Management and general	79,160	76,911
Fundraising	<u>12,030</u>	<u>15,072</u>
Total supporting services expense	<u>91,190</u>	<u>91,983</u>
Total expenses	<u>371,631</u>	<u>376,554</u>
Change in Net Assets Without Donor Restrictions	<u>60,314</u>	<u>23,555</u>
Net Assets with Donor Restrictions		
Grants	49,500	8,556
Net assets released from restrictions	<u>(16,056)</u>	<u>(16,000)</u>
Change in Net Assets with Donor Restrictions	<u>33,444</u>	<u>(7,444)</u>
Change in Net Assets	93,758	16,111
Net Assets, Beginning of Year	<u>256,619</u>	<u>240,508</u>
Net Assets, End of Year	<u>\$ 350,377</u>	<u>\$ 256,619</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.

Statement of Functional Expenses

Year Ended December 31, 2017

	Program Services				Management and General	Fundraising and Development	Total
	Seminars and Advocacy	Events	Training	Total			
Salaries and wages	\$ 70,756	\$ 24,230	\$ 34,077	\$ 129,063	\$ 40,135	\$ 3,899	\$ 173,097
Professional development	4	-	50	54	446	-	500
Professional services	9,629	8,474	7,634	25,737	9,442	8,422	43,601
Office expenses	2,270	871	1,993	5,134	8,040	446	13,620
Facility and equipment	12,082	5,134	9,840	27,056	9,896	1,337	38,289
Travel and meeting expenses	831	2,019	4,067	6,917	2,395	20	9,332
Insurance	715	307	586	1,608	565	79	2,252
Administrative	2,092	1,366	1,802	5,260	1,003	223	6,486
Contract services	8,568	50,879	24,295	83,742	4,989	646	89,377
Total expenses included in the expense section on the statement of activities	<u>\$ 106,947</u>	<u>\$ 93,280</u>	<u>\$ 84,344</u>	<u>\$ 284,571</u>	<u>\$ 76,911</u>	<u>\$ 15,072</u>	<u>\$ 376,554</u>

Utah Nonprofits Association, Inc.

Statements of Cash Flows

Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating Activities		
Change in net assets	\$ 93,758	\$ 16,111
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	-	201
Change in assets and liabilities		
Accounts receivable, including promises to give	(22,816)	3,220
Other assets	2,082	2,517
Accounts payable	1,630	3,515
Accrued liabilities	24,073	(11,434)
Deferred membership dues	9,426	(11,373)
Net Cash from Operating Activities	<u>108,153</u>	<u>2,757</u>
Investing Activities		
Changes in certificates of deposit	<u>(1,074)</u>	<u>(90,337)</u>
Net Cash used for Investing Activities	<u>(1,074)</u>	<u>(90,337)</u>
Net Change in Cash and Cash Equivalents	107,079	(87,580)
Cash and Cash Equivalents, Beginning of Year	<u>229,969</u>	<u>317,549</u>
Cash and Cash Equivalents, End of Year	<u>\$ 337,048</u>	<u>\$ 229,969</u>

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. An allowance for doubtful accounts has not been established at December 31, 2018 and 2017 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. 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, 2018 and 2017, management of the Organization 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, 2018 and 2017.

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.

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

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

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, benefits, payroll taxes, professional services, office expenses, facility and equipment, travel, insurance, contract services and other, 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 FASB Accounting Standards Update 2016-14

As of January 1, 2018, the Organization adopted the provisions of FASB Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-For-Profit Entities, because the Organization believes the standard improves the usefulness and understandability of the Organization's financial statement reporting. Accordingly, the accompanying financial statements and related notes follow the net asset classifications, presentation and disclosure requirements prescribed by the ASU.

Subsequent Events

The Organization has evaluated subsequent events through July 2, 2019, the date the financial statements were available to be issued.

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:

Cash and cash equivalents	\$ 246,438
Accounts receivable including promises to give	13,356
Investments - Certificates of Deposits	<u>78,082</u>
	<u>\$ 337,876</u>

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 designates a portion of any operating surplus to its 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 \$13,765 and \$14,476 related to this event for 2018 and 2017, respectively. These amounts represent 50% of the net proceeds generated by the event.

At December 31, 2018 and 2017, the Organization had a payable to AFP of \$32,465 and \$4,700, respectively, representing its remaining share of the net proceeds.

Note 4 - Accounts Receivable, Including Promises to Give

Accounts receivable, including promises to give, consist of the following at December 31, 2018 and 2017:

	2018	2017
Promises to give	\$ 25,000	\$ 2,500
Sales tax receivable	856	540
	\$ 25,856	\$ 3,040

Accounts receivable, including promises to give, are expected to be received in full within the next year.

Note 5 - Investments – Certificates of Deposit

At December 31, 2018 and 2017, certificates of deposit not considered cash or cash equivalents totaled \$91,411 and \$90,337, respectively. These investments were purchased as a method of diversification and to obtain improved interest earnings on deposits.

Note 6 - Property and Equipment

Property and equipment consists of the following at December 31, 2018 and 2017:

	2018	2017
Furniture and fixtures	\$ 3,930	\$ 3,930
Less accumulated depreciation	(3,930)	(3,930)
	\$ -	\$ -

Note 7 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes at December 31, 2018 and 2017:

	2018	2017
Credential program	\$ 17,000	\$ 6,056
Promises to give, the proceeds from which have been restricted by donors for		
In-kind rent sponsorship	22,500	-
Conference	2,500	2,500
	\$ 42,000	\$ 8,556

Note 8 - 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:

Years Ending December 31,		
2019	\$	9,600
2020		9,600
2021		2,400
	\$	21,600

Total lease expense was \$25,928 and \$26,064 for the years ended December 31, 2018 and 2017, 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 9 - 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, 2018 and 2017, were \$4,080 and \$3,902, respectively.