

UTAH NONPROFITS ASSOCIATION, INC.

REVIEWED FINANCIAL STATEMENTS

Year Ended December 31, 2022

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

We have reviewed the accompanying financial statements of Utah Nonprofits Association, Inc., which comprise the statement of financial position as of December 31, 2022, the related statements of activities, functional expenses, and cash flows for the year 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 American Institute of Certified Public Accountants. 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.

We are required to be independent of Utah Nonprofits Association, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on our review, 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.

Squire & Company, PC

Orem, Utah
September 22, 2023

UTAH NONPROFITS ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2022

ASSETS

Current Assets:

Cash	\$ 499,363
Accounts receivable	3,720
Prepaid expenses	<u>1,597</u>
Total current assets	504,680

Investments:

Certificates of deposit	121,268
Beneficial interest in assets held by Community Foundation of Utah	<u>99,288</u>
Total investments	<u>220,556</u>
Total assets	<u><u>\$ 725,236</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable and accrued expenses	\$ 36,676
Deferred revenue	<u>84,961</u>
Total current liabilities	121,637

Net Assets without Donor Restrictions

Total liabilities and net assets	<u><u>603,599</u></u>
	<u><u>\$ 725,236</u></u>

See accompanying notes and independent accountant's review report.

UTAH NONPROFITS ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

Net Assets Without Donor Restrictions:

Revenue and Support:

Membership dues	\$ 137,344
Conferences and training	64,894
Change in value of beneficial interest	(17,339)
Interest	6,494
Grants	238,824
Donations	55,307
In-kind donations	1,500
Other	3,314
Net assets released from restrictions	<u>34,500</u>
Total revenue and support	524,838

Expenses:

Program services:	
Credential program	142,307
Conference	50,153
Member support	118,880
Other	33,871
Support services:	
Management and general	59,340
Fundraising	<u>22,659</u>
Total expenses	<u>427,210</u>
Change in net assets without donor restrictions	97,628

Net Assets With Donor Restrictions:

Net assets released from restrictions	<u>(34,500)</u>
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Change in Net Assets

63,128

Beginning Net Assets

540,471

Ending Net Assets

\$ 603,599

See accompanying notes and independent accountant's review report.

UTAH NONPROFITS ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2022

	Program Services				Total Program Services	Supporting Services		Total Expenses
	Credential Program	Conference	Member Support	Other		Management and General	Fundraising	
Wages and benefits	\$ 108,446	\$ 26,857	\$ 99,606	\$ 28,515	\$ 263,424	\$ 40,361	\$ 21,757	\$ 325,542
Insurance	300	75	230	114	719	117	9	845
Promotion	642	446	494	241	1,823	103	19	1,945
Office	9,262	2,789	7,287	3,420	22,758	1,347	621	24,726
Information technology	2,313	7,546	1,787	869	12,515	937	70	13,522
Professional fees	21,292	8,810	8,635	467	39,204	11,035	37	50,276
Depreciation	-	-	-	-	-	4,166	-	4,166
Travel	-	65	310	113	488	1,016	144	1,648
Other	52	3,565	531	132	4,280	258	2	4,540
Total	\$ 142,307	\$ 50,153	\$ 118,880	\$ 33,871	\$ 345,211	\$ 59,340	\$ 22,659	\$ 427,210

See accompanying notes and independent accountant's review report.

UTAH NONPROFITS ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2022

Cash Flows from Operating Activities:	
Change in net assets	\$ 63,128
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	4,165
Change in value of beneficial interest held by Community Foundation of Utah	16,001
Changes in operating assets and liabilities:	
Accounts receivable	(2,926)
Prepaid expenses	(652)
Accounts payable and accrued expenses	(50,518)
Deferred revenue	22,369
	<hr/>
Net cash provided by operating activities	51,567
 Cash Flows from Investing Activities:	
Net purchases of investments	<hr/> (1,843)
Net Change in Cash	49,724
 Beginning Cash	<hr/> 449,639
Ending Cash	<hr/> <hr/> \$ 499,363

Supplemental Data:

The Organization paid no interest or income taxes during the year ended December 31, 2022.

See accompanying notes and independent accountant's review report.

UTAH NONPROFITS ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Utah Nonprofits Association, Inc. (the Association) have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Reporting Entity

The Association was incorporated as a nonprofit corporation in 1990 to unify, strengthen, and elevate Utah's nonprofit organizations. The Association enables member organizations to fulfill their missions more efficiently and effectively by providing educational and networking opportunities.

Financial Statement Presentation

The Association reports 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 Association's management and board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as contributions without donor restrictions.

Revenue Recognition

The Association recognizes revenue from conferences and trainings at the time of the event. Membership dues, which are nonrefundable, are comprised of an exchange element based on the value of benefits provided. The Association recognizes membership dues (which the Association accounts for entirely as an exchange transaction since it believes the benefits provided are worth more than the cost of the membership) over the membership period (typically one year).

The Association 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.

The Association recognizes grant revenue when qualifying grant expenses have been incurred and all other grant requirements have been met.

UTAH NONPROFITS ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

Investments

Certificates of Deposit – certificates of deposit consist of brokered certificates of deposit with original maturities of more than three months. Investments, other, are reported at estimated fair value. They are separately stated because they are not within the scope of the disclosure requirements of Financial Accounting Standards Board Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, because they do not meet the definition of a security.

Beneficial Interest in Assets held by Community Foundation of Utah – The Community Foundation of Utah (CFU) is the recipient organization that holds an endowment fund for the benefit of the Association (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 Association 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.

Donated Services

Many individuals volunteer significant time and perform a variety of tasks that assist the Association with specific programs and Board assignments; the value of these services has not been recognized in these financial statements.

Tax Status

The Association 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 Association is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Association is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose.

The Association 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 Association 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 Association 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.

Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statement of functional expenses presents 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.

UTAH NONPROFITS ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and support, and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Organization has evaluated subsequent events through September 22, 2023, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

NOTE 2 – CONCENTRATIONS

At December 31, 2022, the Association’s carrying amount of cash deposits was \$499,363 and the bank balance was \$498,985, of which \$250,000 was covered by federal depository insurance.

NOTE 3 – AVAILABILITY AND LIQUIDITY

The following represents the Association’s financial assets at December 31:

Financial assets at year end:	
Cash	\$ 499,363
Accounts receivable	3,720
Certificates of deposit	121,268
Beneficial interest in assets held by Community Foundation	<u>99,288</u>
Total financial assets	723,639
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 723,639</u></u>

The Association’s goal is generally to maintain financial assets to meet three months of operating expenses (approximately \$420,000).

NOTE 4 – FAIR VALUE MEASUREMENTS

The Association uses various methods to measure the fair value of its investments on a recurring basis. Generally accepted accounting principles establish a hierarchy that prioritizes inputs to valuation methods. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Association has the ability to access at the measurement date.

UTAH NONPROFITS ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

A description of the valuation techniques applied to the Association’s major categories of assets and liabilities measured at fair value on a recurring basis follows:

Beneficial Interest in Assets held by Community Foundation of Utah – The Association established a fund from its net assets without donor restrictions 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 Association. The Association does not believe that CFU has variance power and, therefore, records its interest in the changes in the net assets of CFU related to this investment.

Investments maintained by CFU on behalf of the Association are carried at fair value and realized and unrealized gains and losses are reflected in the statement of activities. The fund is valued at net asset value (NAV) of shares held by CFU on behalf of the Association.

Fair values of assets, by level within the fair value hierarchy, measured at December 31, 2022 are as follows:

	Fair Value	Level 1	Level 2	Level 3
Beneficial interest in assets held by Community Foundation of Utah	\$ 99,288	\$ -	\$ -	\$ 99,288

NOTE 5 – NET ASSETS

Net assets released from restrictions were all related to the credential program for the year ended December 31, 2022.

NOTE 6 – RETIREMENT PLAN

The Association has established a defined contribution plan for employees. The Association matches an employee’s contributions up to 3 percent of eligible earnings. The Association’s matching contributions totaled \$6,987 for the year ended December 31, 2022.

UTAH NONPROFITS ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 – COLLABORATIVE AGREEMENT

The Association, along with the Association of Fundraising Professionals Utah Chapter and UServeUtah, organize the annual Utah Philanthropy Day event. The event celebrates philanthropy and volunteerism in Utah and raises funds for the organizing organizations. The three organizing organizations share equally in the net proceeds of the event. The Association handles all of the funds related to the event and reports a liability for the portion of the net proceeds due to the other two organizations. The amount owed is reported as part of “accounts payable and accrued expenses” on the statement of financial position and totaled \$12,470 at December 31, 2022.